

# Alpha Partners, L.L.C.



## Investment Management Services

[FORM ADV, PART 2A -- BROCHURE]

This brochure provides information about the qualifications and business practice of Alpha Partners, L.L.C. ("Alpha"). If you have any questions about the contents of this brochure, please contact us at 313-963-4911. 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 Alpha Partners, L.L.C.,] also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Alpha is 128719.

Alpha Partners, L.L.C., 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.

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## **Item 2 -- Material Changes**

This is our first brochure prepared in accordance with the SEC’s “Uniform Requirements for the Investment Adviser Brochure and Brochure Supplements” and therefore we do not have any material changes to identify for you. When we make material changes to our brochure or to any brochure supplements, we will identify those changes under this heading.

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## **Item 4 -- Advisory Business**

We were founded in 2003 by Robert N. Warfield and since that time have offered investment advisory and consulting services. At present, our principal owners (those who own 25% or more of our firm) are Robert N. Warfield, Napoleon Rodgers, and Dawna Edwards-Rodgers.

We provide discretionary portfolio management services to clients, who may be individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and mutual funds. Portfolio investment decisions are made according to the investment objectives and risk tolerances of each client, and also the client’s stated investment restrictions (if any) and special circumstances. As a relationship-oriented firm, we emphasize individualized attention to a client’s assets and investment needs. Investment decisions are made on a consultative basis with the client or the client’s designated financial advisors, financial planners, attorneys or accountants. On December 31, 2010, we managed \$26,700,00 of client accounts on a discretionary basis and \$0 on non-discretionary basis.

## Item 5 -- Fees and Compensation

We charge either fixed fees or fees based upon assets under management. Fixed fees are negotiated with clients on a case-by-case basis, and are normally billed on a monthly or quarterly basis. Fees based on assets under management are normally billed [monthly][quarterly] in arrears, based on the net asset value of a client's account under management as of the last day of the [month][quarter]. Fees charged to new clients will also be pro-rated for the number of days in the [month][quarter] during which the new client's account was open. If a client terminates the relationship with us other than on a [month][quarter]-end date, the fees for the [month][quarter] in which termination occurred are calculated through the date of termination based on the assets under management on that date. We prefer to have our clients authorize us to deduct these fees directly from their account, in compliance with applicable SEC and state rules that permit this type of arrangement. However, if clients prefer, we will bill them for fees incurred on a regular basis.

### Fee schedule for asset-based fees:

Our fee schedule is as follows:

#### Equity/Balanced Accounts

First \$5,000,000 of assets.....	0.88%
Balance in excess of \$5,000,000 of assets .....	0.50%
Minimum account size .....	\$5,000,000

#### Fixed Income Accounts

First \$5,000,000 of assets .....	0.60%
Next \$5,000,000 of assets .....	0.40%
Next \$15,000,000 of assets .....	0.30%
Next \$25,000,000 of assets .....	0.25%
Next \$50,000,000 of assets .....	0.15%
Balance in excess of \$100,000,000 of assets .....	0.10%
Minimum account size .....	\$5,000,000

#### Cash Management Accounts –

A fee of 0.20% of assets under management, regardless of account size.

Minimum account size .....	\$5,000,000
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Competitive circumstances may require Alpha Partners, LLC to negotiate discounts in selected cases to secure new accounts or occasionally accept selected accounts that may fall below our \$5,000,000 minimum account size. In such cases, fees will be determined and documented by a negotiated schedule with the client.

Our standard investment management contract provides that it may be terminated upon 30 days written notice by either party without penalty.

Clients will be charged brokerage commissions and other transactional costs associated with investing in stocks and other types of securities.

Some clients may direct us to invest all or a specified portion of their investments in mutual funds. In these situations, Alpha Partners will usually have discretion to select mutual funds for the client's investments and will focus only on funds that are "no load" (i.e., where the investor does not pay any sales fees or commission) and which do not pay excessive 12b-1 fees or any deferred sales fees (so-called "back end loads"). When a client asks us to invest in mutual funds, our management fee for the assets so invested will be negotiated on a case-by-case basis instead of the fee calculations shown above. Clients should be aware that assets invested in mutual funds are also subject to various other fees and expenses that are described in the mutual fund's prospectus. These fees and expenses are paid by the mutual fund but are ultimately borne by clients as shareholders of the mutual fund. These fees and expenses include investment advisory, administration, distribution, transfer agent, custodial, legal, audit and other customary fees and expenses related to mutual funds.

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

We do not charge or accept "performance-based fees", which are fees based on a share of capital gains on, or capital appreciation of, the assets of a client.

#### **Item 7 -- Types of Clients**

We provide discretionary portfolio management services to a wide variety of clients, who may be individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and mutual funds. We have a minimum account size of \$5,000,000; however competitive circumstances may require us to occasionally accept selected accounts that may fall below this minimum.

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

We provide advice on a wide variety of securities, including exchange-listed and over-the-counter securities, foreign issues, corporate debt securities, commercial paper, certificates of deposit, mutual funds, publicly traded real estate or oil and gas interests, and U.S. Government securities. Securities may be purchased for the long or short term and in some instances trading strategies may be utilized. Our portfolio managers use several sources of investment information when making recommendations, including technical and fundamental research, financial newspapers and magazines, web based resources, corporate rating services, annual reports and SEC filings, company press releases and broker provided research materials.

Investing in securities involves the risk of loss that a client should be prepared to bear. We do not guarantee our investment results or performance, but we do not engage in frequent trading of a client's account, which will adversely affect performance, particularly through increased brokerage and other transaction costs and taxes.

## **Item 9 -- Disciplinary Information**

Neither our firm nor any of our management persons have been involved in any legal or disciplinary proceedings during the past 10 years that is material to a client's (or a prospective client's) evaluation of our advisory business or the integrity of our management. Specifically, there have been no criminal or civil actions involving our firm or our management persons, there have been no administrative proceedings before the United States Securities and Exchange Commission or any other foreign, federal or state regulatory agency, and there have been no proceedings by a self-regulatory organization involving our firm or any of our management persons.

## **Item 10 -- Other Financial Industry Activities and Affiliates**

We are not registered as a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor or an associated person of any of the foregoing entities, nor do we have an application pending to register as any of such entities. In addition, none of our management persons are registered representatives of a broker-dealer, and none are registered as a futures commission merchant, commodity pool operator, commodity trading advisor or an associated person of any of the foregoing entities, nor do any of our management persons have an application for such registration pending.

We do not recommend or select other investment advisers for our clients, nor do we have any business relationships with any other investment advisers that would create a material conflict of interest for us.

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

We have adopted a Code of Ethics that complies with SEC Rule 204A-1. This Code governs the personal securities trading activities of our "access persons", which include any owner, manager, employee or other person who provides investment advice on our behalf and who is subject to supervision and control by us. Our Code recognizes that all supervised persons owe a fiduciary duty to our clients, including a duty to conduct their personal securities transactions in a manner that does not interfere with the transactions of a client or otherwise take unfair advantage of the relationship with a client. The Code contains specific principles of conduct, prohibits certain types of securities trading activities by an access person, requires pre-clearance for certain securities transactions by an access person and requires "access persons" to file an initial holdings report and quarterly transactions reports with our Chief Compliance Officer. A copy of our Code of Ethics will be provided to any client who requests one, without charge.

We do not buy or sell for client accounts any securities in which we or any of our "related persons" have a material financial interest. From time to time, we may, or our related persons may, invest in the same securities or related securities (e.g., warrants, options or futures) that we are recommending to our clients or that we are buying or selling for our clients at or about the same time. Under our Code of Ethics and policies on personal trading, we must execute our client's trades prior to making any trades on our own behalf or on behalf of a related person; however, we may include trades for our own account or for a related person in any "batch" trades

that we execute for multiple clients at the same time. Batch trades are described in Item 12. below.

## **Item 12 -- Brokerage Practices**

When we have discretionary authority to make transactions in a client's account, the extent of that authority will be determined based on the individual written agreement with the client. Depending on the terms of the discretionary account agreement with a client, we may be given the authority to make some or all of the following determinations without obtaining the client's prior consent, but subject to any specific restrictions or limitations requested by the client:

- which securities will be bought or sold;
- the total amount of securities to be bought or sold;
- the broker or dealer through which securities will be bought or sold; and
- the commission rates or prices at which securities transactions are to be carried out.

Selection of Brokers. In selecting a brokerage firm for a particular client's account, we attempt to choose one that has the capability of providing "best execution" for the client's trades. In determining the ability of a broker or dealer to obtain the best execution for a particular transaction, we consider a number of factors, including (but not limited to) the execution capabilities necessary to the transaction, the importance of speed, efficiency and confidentiality, the broker's apparent familiarity with sources from which or to which particular securities may be purchased or sold and the reputation and perceived soundness of the broker or dealer.

We do not have any duty or obligation to seek advance competitive bidding for the most favorable commission rates available for a particular transaction, or to select any broker solely on the basis of its purported or posted commission rates. We will take reasonable steps to be aware of the current level of charges of eligible brokers and to minimize the transaction expenses incurred, to the extent consistent with the interests and policies of clients. Although we generally seek competitive commissions, we do not necessarily obtain the lowest brokerage commissions. Some transactions may involve specialized services on the part of a broker and may entail higher commissions as a result.

Consistent with obtaining best execution, we may direct securities transactions to brokers or dealers in recognition of research services they provide, as well as for services rendered in the execution of orders. As a general matter, these research services are used to service all of Alpha Partners' clients. However, not every research service will be used for each client, and brokerage commissions paid by one account may apply toward payment for research services that may not be used for that account.

Research and Other Soft Dollar Benefits. In accordance with the specific guidelines outlined in Section 28(e) of the Securities Exchange Act of 1934, we may engage in soft dollar arrangements to obtain research, research-related products and other services, including research from third parties. We believe that research obtained through a soft dollar commission basis benefits all clients, and therefore we do not attempt to allocate the costs and benefits of the research or brokerage services among our clients. There generally is no formal agreement or formula for the allocation of brokerage on the basis of research services provided. However,

certain brokers providing statistical and/or performance measurement services may state explicitly, in advance, the amount of the brokerage commissions they require as a condition to obtaining such services. We seek to minimize the cost of such services and will frequently use brokerage commissions in a ratio not to exceed 1.5 commission dollars to each dollar paid for research services provided when we decide to acquire such services. In these instances, clients may pay higher brokerage commissions than those charged by other qualified brokers. We engage in such practices only after we have determined in good faith that the commissions charged by such brokers are reasonable in relation to the value of the brokerage and research services received. In making such a determination, we are not required to place or to attempt to place a specific dollar value on the brokerage or research services provided.

Brokerage for Client Referrals. When selecting or recommending a brokerage firm, we will consider the extent to which the broker has in the past, or may in the future, refer clients to our firm for investment advice. This factor may be perceived to be a conflict of interest because it provides an incentive for us to select a broker firm based on our desire to increase the number of our clients rather than on the client's interest in obtaining best execution for trades.

Directed Brokerage. A client may direct us to use a particular broker or dealer to execute transactions under terms and arrangements that the client has negotiated. Where this occurs, we may not be in a position to negotiate the lowest commissions or spreads for the client, or to achieve best execution of trades. In addition, transactions for a client who has directed us to use a certain broker or dealer may not be batched for purposes of execution (see below). Accordingly, the designation by a client of a particular broker or dealer may result in higher commissions, greater spreads, or less favorable prices than might be realized if we are empowered to select a broker or dealer and negotiate for best commission.

Aggregating Trading. From time to time we may be in the position of buying or selling the same security for a number of clients at approximately the same time. Because of market fluctuations, the prices obtained on such transactions on a single day may vary substantially. In such situations, some clients will receive prices more favorable than other clients. To more equitably allocate the effects of such market fluctuations, we may use an averaging procedure for certain transactions, under which purchases or sales of a particular security will be combined ("batched") for all accounts trading in the same security on the same day. In such cases, the prices shown on confirmation reports for these purchases or sales will be the average execution price for the batch. In certain situations, batched orders entered may not be completely filled, and in such event we will pro-rate the completed portion of the order to ensure that all clients participating in the batched order will receive an allocated portion of the completed transaction.

### **Item 13 -- Review of Accounts**

The type of account determines how often it is reviewed.

- Each of the individually managed accounts over which we have discretionary investment authority is generally reviewed annually, or quarterly at the request of the client, to ensure that the portfolio structure is in line with account objectives. The sequence in which accounts are reviewed is such that no account receives undue attention or favoritism.

- We provide these discretionary accounts with customized monthly statements that include a description of the investments held in the account, their cost basis, their current market value, the transaction history for the period, and the time weighted rates of return for various periods. Clients are encouraged to compare our statements with the statements provided from their custodian and to confirm that the investments we report are in fact held by the custodian.
- Account reviews are normally conducted by the Investment Review Committee members Robert N. Warfield, Napoleon Rodgers and Dawna Edwards Rodgers.

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

We may enter into arrangements with individuals to solicit and refer prospects to us for a fee. These arrangements are known as solicitation agreements and provide specific information regarding the prospects, the nature of the relationships, compensation, responsibilities of both the solicitor and the Advisor and appropriate disclosures. All of our arrangements of this type comply with applicable SEC rules for solicitor relationships.

#### **Item 15 -- Custody**

We do not hold custody of any client funds or securities. While we normally provide our clients with monthly statements of their account's status and performance, we encourage our clients to compare the information contained in the statements we provide with the information that each client receives from the custodian of their account.

#### **Item 16 -- Investment Discretion**

When a client desires to provide us with complete authority to select which securities will be bought or sold and the total amount of securities to be bought or sold the investment account agreement will contain a limited power of attorney designating us as the client's attorney-in-fact for these purposes. Clients may place limitations on our powers, including limitations related to specific investment objectives or policies or limitations requiring some form of prior notice before we are allowed to execute transactions. Any limited power of attorney may be terminated by a client at any time without prior notice, but termination must be in writing (including email communications).

#### **Item 17 -- Voting Client Securities**

Our typical investment management agreement with clients provides that we are responsible for voting with respect to the securities held in an account and the portfolio manager(s) for the account will normally vote in accordance with the recommendations of management on proxy issues. However, the managers do have latitude to vote against company management in instances where the manager believes that doing so is in the best interest of our client as a shareholder. We have adopted a formal proxy voting policy that will be provided to any client who requests a copy, without charge. If a client wants to be responsible for voting these proxies, we will accommodate the client's wishes. If there are situations where the interest of a client may possibly conflict with our interests with respect to any shareholder proposals for which



proxies are solicited, we will request the client's instructions with respect to the vote and will always place the client's interests first.

### **Item 18 -- Financial Information**

We are not required to include in this brochure our balance sheet for the most recent fiscal year, because we do not require or solicit prepayment of more than \$1,200 in fees per client six months or more in advance.

We are not aware of any financial condition that would impair our ability to meet our contractual commitments to our clients. Neither our firm nor any of our management persons have been the subject of a bankruptcy petition at any time during the past 10 years.

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