

**FORM ADV****Uniform Application for Investment Adviser Registration****Part II - Page 1****OMB APPROVAL**

OMB Number 3235-0049

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Name of Investment Adviser: **Robbins Capital Management Inc.**

Address: (Number and Street)

**4217 Carmain Drive**

(City)

**Atlanta**

(State)

**GA**

(Zip Code)

**30342**

Area Code:

**404**

Telephone Number:

**995-8558**

**This part of Form ADV gives information about the investment adviser and its business for the use of clients.  
The information has not been approved or verified by any government authority.**

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**(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)**

**Potential persons who are to respond to the collection of information contained in this form  
are not required to respond unless the form displays a currently valid OMB control number.**

## FORM ADV

## Part II - Page 2

Applicant:

Robbins Capital Management Inc.

SEC File Number:

Date:

04 Oct 10

## Definitions for Part II

Related person -- Any officer, director or partner of applicant or any person directly or indirectly controlling, controlled by, or under common control with the applicant, including any non-clerical, non-ministerial employee.

Investment Supervisory Services -- Giving continuous investment advice to a client (or making investments for the client) based on the individual needs of the client. Individual needs include, for example, the nature of other client assets and the client's personal and family obligations.

## 1. A. Advisory Services and Fees. (check the applicable boxes)

For each type of service provided, state the approximate % of total advisory billings from that service.  
(See instruction below.)

- Applicant:
- |                                     |     |  |           |
|-------------------------------------|-----|--|-----------|
| <input type="checkbox"/>            | (1) | Provides investment supervisory services .....   | _____ %   |
| <input checked="" type="checkbox"/> | (2) | Manages investment advisory accounts not involving investment supervisory services .....   | _____ 91% |
| <input type="checkbox"/>            | (3) | Furnishes investment advice through consultations not included in either services described above .....  | _____ %   |
| <input checked="" type="checkbox"/> | (4) | Issues periodicals about securities by subscription .....  | _____ 0%  |
| <input type="checkbox"/>            | (5) | Issues special reports about securities not included in any service described above .....  | _____ %   |
| <input type="checkbox"/>            | (6) | Issues, not as part of any services described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities ..... | _____ %   |
| <input type="checkbox"/>            | (7) | On more than an occasional basis, furnishes advice to clients on matters not involving securities .....  | _____ %   |
| <input type="checkbox"/>            | (8) | Provides a timing service .....  | _____ %   |
| <input checked="" type="checkbox"/> | (9) | Furnishes advice about securities in any manner not described above .....  | _____ 9%  |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

- |    |   |                              |  |
|----|---|------------------------------|--|
| B. | Does the applicant call any of the services it checked above financial planning or some similar term? ..... | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
|----|---|------------------------------|--|

## C. Applicant offers investment advisory services for: (check all that apply):

- |                                     |     |  |                                     |     |  |
|-------------------------------------|-----|--|-------------------------------------|-----|--|
| <input checked="" type="checkbox"/> | (1) | A percentage of assets under management      | <input checked="" type="checkbox"/> | (4) | Subscription fees                            |
| <input type="checkbox"/>            | (2) | Hourly charges                               | <input type="checkbox"/>            | (5) | Commissions                                  |
| <input type="checkbox"/>            | (3) | Fixed fees (not including subscription fees) | <input checked="" type="checkbox"/> | (6) | Other – Percentage of Profit Performance Fee |

## D. For each checked box in A above, describe on Schedule F:

- ☐ the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- ☐ applicant's basic fee **schedule**, how fees are charged and whether its fees are negotiable
- ☐ when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

## 2. Types of Clients -- Applicant generally provides investment advice to: (check those that apply)

- |                                     |    |                                  |                                     |    |   |
|-------------------------------------|----|----------------------------------|-------------------------------------|----|---|
| <input checked="" type="checkbox"/> | A. | Individuals                      | <input checked="" type="checkbox"/> | E. | Trusts, estates, or charitable organizations                    |
| <input type="checkbox"/>            | B. | Banks or thrift institutions     | <input checked="" type="checkbox"/> | F. | Corporations or business entities other than those listed above |
| <input type="checkbox"/>            | C. | Investment companies             | <input type="checkbox"/>            | G. | Other (describe on Schedule F)                                  |
| <input checked="" type="checkbox"/> | D. | Pension and profit sharing plans |                                     |    |   |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**3. Types of Investments.** Applicant offers advice on the following: (check those that apply)

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> A. Equity Securities                   | <input checked="" type="checkbox"/> H. United States government securities |
| <input checked="" type="checkbox"/> (1) exchange-listed securities         |  |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter | <input type="checkbox"/> I. Options contracts on:                          |
| <input checked="" type="checkbox"/> (3) foreign issues                     | <input checked="" type="checkbox"/> (1) securities                         |
|  | <input type="checkbox"/> (2) commodities                                   |
| <input checked="" type="checkbox"/> B. Warrants                            | <input type="checkbox"/> J. Futures contracts on:                          |
| <input checked="" type="checkbox"/> C. Corporate debt securities           | <input type="checkbox"/> (1) tangibles                                     |
| (other than commercial paper)  | <input type="checkbox"/> (2) intangibles                                   |
| <input type="checkbox"/> D. Commercial paper                               | <input type="checkbox"/> K. Interests in partnerships investing in:        |
| <input checked="" type="checkbox"/> E. Certificates of deposit             | <input type="checkbox"/> (1) real estate                                   |
| <input checked="" type="checkbox"/> F. Municipal securities                | <input type="checkbox"/> (2) oil and gas interests                         |
|  | <input type="checkbox"/> (3) other (explain on Schedule F)                 |
| <input type="checkbox"/> G. Investment company securities                  | <input type="checkbox"/> L. Other (explain on Schedule F)                  |
| <input type="checkbox"/> (1) variable life insurance                       |  |
| <input type="checkbox"/> (2) variable annuities                            |  |
| <input checked="" type="checkbox"/> (3) mutual fund shares                 |  |

**4. Methods of Analysis, Sources of Information, and Investment Strategies.**

## A. Applicant's security analysis methods include: (check those that apply)

- |   |  |
|---|--|
| (1) <input checked="" type="checkbox"/> Charting    | (4) <input checked="" type="checkbox"/> Cyclical           |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical   |  |

## B. The main sources of information applicant uses include: (check those that apply)

- |   |   |
|---|---|
| (1) <input type="checkbox"/> Financial newspapers and magazines               | (5) <input type="checkbox"/> Timing services  |
| (2) <input type="checkbox"/> Inspections of corporate activities              | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input checked="" type="checkbox"/> Company press releases  |
| (4) <input type="checkbox"/> Corporate rating services                        | (8) <input checked="" type="checkbox"/> Other (explain on Schedule F)   |

## C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- |  |   |
|--|---|
| (1) <input checked="" type="checkbox"/> Long term purchases<br>(securities held at least a year) | (5) <input checked="" type="checkbox"/> Margin transactions   |
| (2) <input checked="" type="checkbox"/> Short term purchases<br>(securities sold within a year)  | (6) <input checked="" type="checkbox"/> Option writing, including covered options,<br>uncovered options or spreading strategies |
| (3) <input checked="" type="checkbox"/> Trading (securities sold within 30 days)                 | (7) Other (explain on Schedule F)   |
| (4) <input checked="" type="checkbox"/> Short sales  |   |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

Applicant:

Robbins Capital Management Inc.

SEC File Number:

Date:

04 Oct 10

**5. Education and Business Standards.**

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? . . . . .

Yes No  
☐ x

(If yes, describe these standards on Schedule F.)

**6. Education and Business Background.**

For: None – not applicable

- ☐ each member of the investment committee or group that determines general investment advice to be given to clients, or
- ☐ if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- ☐ each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- ☐ name ☐ Formal education after high school
- ☐ year of birth ☐ Business background for the preceding five years

**7. Other Business Activities.** (check those that apply)

- ☐ A. Applicant is actively engaged in a business other than giving investment advice.
- ☐ B. Applicant sells products or services other than investment advice to clients.
- ☐ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

**8. Other Financial Industry Activities or Affiliations.** (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- |                          |   |                          |   |
|--------------------------|---|--------------------------|---|
| x                        | (1) broker-dealer   | <input type="checkbox"/> | (7) accounting firm                                       |
| <input type="checkbox"/> | (2) investment company  | <input type="checkbox"/> | (8) law firm  |
| x                        | (3) other investment adviser  | <input type="checkbox"/> | (9) insurance company or agency                           |
| <input type="checkbox"/> | (4) financial planning firm   | <input type="checkbox"/> | (10) pension consultant                                   |
| <input type="checkbox"/> | (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> | (11) real estate broker or dealer                         |
| <input type="checkbox"/> | (6) banking or thrift institution   | <input type="checkbox"/> | (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest? . . . . .
- Yes No  
x ☐

(If yes, describe on Schedule F the partnerships and what they invest in.)

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

Applicant:

Robbins Capital Management

SEC File Number:

Date:

04 Oct 10

**9. Participation or Interest in Client Transactions.**

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☐ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

- 10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account? . . . . .

Yes No  
☒ ☐

(If yes, describe on Schedule F.)

- 11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and Triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

Investment holdings in all accounts are reviewed during market hours daily by Bob Robbins, or when he is out of his office for a significant period of time, by his backup, Pegasus Investment Management LLC (206 842-9328).

- B. Describe the nature and frequency of regular reports to clients on their accounts.  
 Currently all accounts are located in Smith Barney, which issues normal reports for accounts, including confirms, and monthly reports.

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**12. Investment or Brokerage Discretion.**

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- |  |          |                          |
|--|----------|--------------------------|
|  | Yes      | No                       |
| (1) securities to be bought or sold? . . . . .               | <b>x</b> | <input type="checkbox"/> |
| (2) Amount of the securities to be bought or sold? . . . . . | Yes      | No                       |
|  | <b>x</b> | <input type="checkbox"/> |
| (3) broker or dealer to be used? . . . . .                   | Yes      | No                       |
|  | <b>x</b> | <input type="checkbox"/> |
| (4) commission rates paid? . . . . .                         | Yes      | No                       |
|  | <b>x</b> | <input type="checkbox"/> |

B. Does applicant or a related person suggest brokers to clients? . . . . .

Yes	No
<b>x</b>	<input type="checkbox"/>

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4), or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- ☐ the product, research and services
- ☐ whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- ☐ whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- ☐ any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

**13. Additional Compensation.**

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- |   |                          |                          |
|---|--------------------------|--------------------------|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? . . . . . | Yes                      | No                       |
|   | <input type="checkbox"/> | <b>X</b>                 |
| B. directly or indirectly compensates any person for client referrals? . . . . .  | Yes                      | No                       |
|   | <b>x</b>                 | <input type="checkbox"/> |

(For each yes, describe the arrangements on Schedule F.)

**14. Balance Sheet.** Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- |  |                          |          |
|--|--------------------------|----------|
| <input type="checkbox"/> has custody of client funds or securities; or   |                          |          |
| <input type="checkbox"/> requires prepayment of more than \$500 in fees per client and 6 or more months in advance |                          |          |
| Has applicant provided a Schedule G balance sheet? . . . . .   | Yes                      | No       |
|  | <input type="checkbox"/> | <b>X</b> |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Applicant: <b>Robbins Capital Management Inc.</b>	SEC File Number:	Date: <b>04 Oct 10</b>
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1. Full name of applicant exactly as stated in item 1A of Part I of Form ADV: Robbins Capital Management Inc.	IRS Empl. Ident. No.: <b>20-3585397</b>
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Item of Form (identify)	Answer
Part II - General	Robbins Capital Management Inc. ("RCM") currently has three equity investment thrusts: 1) Managed accounts with the Jackson, MS office of Smith Barney. 2) A portfolio newsletter published via email free to clients, prospective clients, and FA's who might place client funds with RCM. 3) Investment advisor to the General Partner, Robbins General Partners LLC, of a long-short investment partnership, Rvest Partners LP, launched Oct. 20, 2005.

**Complete amended pages in full, circle amended items and file with execution page (page 1).**

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV Part II**

Applicant: <b>Robbins Capital Management Inc.</b>	SEC File Number:	Date: <b>04 Oct 10</b>
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in item 1A of Part I of Form ADV:		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
Part II – General (cont.)		
Part II – 1.A.(1)	Other: 9% -- a rough estimate based on the current quarter management fees related to service provided by Robbins Capital Management Inc. and by Rvest General Partners LLC to Rvest Partners LP.	
Part II – 1D.	<p>Services provided, and their description:</p> <p>Investment advisory, 91%, equity money management: sole discretion buying and selling securities, mainly common stock. Service similar to thousands of mutual funds and investment advisors. Newsletter, free, equity-oriented investment advice no longer web published.</p> <p>Other, 9%, equity money management of market neutral partnership Rvest Partners LP: long and short 25-60 stocks, including index-tracking stocks, covered calls, and rarely uncovered put options. Clients are welcome to vote their own proxies or to recommend to Robbins Capital our best interests about voting proxies. Robbins Capital Management (RCM) will vote only on proxies where RCM decides a substantial and pivotal matter exists. Hence, RCM will not vote most proxies. Votes will be cast in the judgment of RCM in the best interests of clients. RCM clients may contact RCM to discover how proxies have been voted.</p> <p>Normally, the basic management fee for qualified investors is an annual rate of 1.00% for \$200,000 to \$750,000, where the fee usually drops to 7/8%. At \$1,000,000 the fee is usually ¾%. The Advisor accepts accounts only from qualified investors (minimum total net worth of \$1,500,000), and such accounts from firm's other than Smith Barney (none currently) normally must meet a \$500,000 minimum because of extra administrative work.</p> <p>Fees are charged at the beginning of each quarter, for that quarter, at one fourth (0.25 times) the annual rate. Client may terminate the contract at any time in writing.</p> <p>Investment Advisory Performance Fees are charged to Qualified Investors, who are defined by the SEC as having net worth of \$1,500,000. A Performance Fee, typically 20% of the percentage change of the account value, net of all other costs, above the percentage change of the S&amp;P 500, including its dividends, shall be accrued at the end of each quarter or upon withdrawal. The fee shall be paid only to the extent of net gains since inception of the account. Accrued fees not paid remain payable in any future quarter(s) to the extent of sufficient net gains since that inception. A sample fee calculation follows. Note that the performance fee is accrued when the performance index exceeds the last "high water mark."</p> <p>The performance fee is illustrated by the immediately following invoice to a bellwether account for the first quarter of 2006:</p> <p><b>"Your first quarter performance fee is computed, in two parts, as follows:</b></p> <p><b>Your account value at 12/31/05</b> of \$375,456.98, increased by the S&amp;P 500's gain of 4.2076%, equals a nonperformance subtotal of \$391,254.70.</p> <p><b>Your capital addition of \$100,000</b> on 1/25/06 increased by the S&amp;P 500's total return gain from its 1/24/06 close of 1266.86 to its 3/31/06 close of 1294.83, or 2.2078%, equals a nonperformance subtotal of \$102,207.80.</p> <p>Adding nonperformance subtotals of \$391,254.70 and \$102,207.80 equal <b>your nonperformance total</b> value at the end of the first quarter, or \$493,462.50. <b>Your 3/31/06 account value</b> of \$527,027.86 was <b>higher, an outperformance</b> of \$33,565.36, time 20% equals <b>my first quarter performance fee</b> of \$6,713.07. That fee is due now and will be billed from your account.</p> <p>Your high-water mark now is computed from your 3/31/06 closing value of \$527,027.86 minus my performance fee of \$6,713.07 = \$520,314.79. Should the S&amp;P 500 total return remain unchanged during</p>	



the second quarter, your account would have to be above that level at the end of the second quarter in order for me to earn a performance fee during the second quarter.

**In sum, your account appreciated from a total investment value of \$373,456.98 plus your capital addition of \$100,000 = \$473,456.98 to \$520,314.79, a gain of \$46,857.81, or 9.9%, versus the S&P 500's weighted total return gain of 3.7870% (computed as follows:  $\$375,456.98 / \$475,456.98 \times 4.2076\%$  plus  $\$100,000 / \$475,456.98 \times 2.2078\% = 3.3226\% + 0.4643\% = +3.7870\%$ .)"**

Note: These calculations show only one quarter's outcome and do not illustrate all eventualities.

The standard performance fee discount for charitable institutions (no such fees currently) is 50% – i.e., 50% times the 20% performance fee is 10%.

Newsletter subscription was fee-based but is currently free to clients and prospects.

The Newsletter focuses on the stock market and economic outlook, stock sectors, stock groups, and individual stocks. The newsletter simply bears the name Robbins Capital Management.

Regarding questions 3 and 4:

Regarding the risk of the equity portion of the Client's portfolio, most clients are suitable for and prefer the following approach. Client agrees in our investment advisory contract to tolerate a combination of S&P 500 risk, primarily, and aggressive risk, secondarily. In that regard, Client agrees that Client's equities, at dollar cost, will generally be at least 50% (and possibly 100%) invested in large capitalization stocks (>\$7 billion market capitalizations), at least 75% (and possibly 100%) in large or mid-cap stocks (>\$1.5 billion market capitalizations), and at least 80% in large, mid, and small cap stocks (exceeding \$200 million market capitalizations). Client agrees to substantial holdings of foreign-headquartered securities, because more than 250 of the largest 1000 U.S.-traded common stocks are headquartered outside the USA. Client agrees that Advisor will use a mix of growth and value stocks, and that mix may vary substantially based on Advisor's varying stock selection criteria and varying stock market conditions. In that regard, Client understands and accepts that growth stocks tend to decline a greater percent than the S&P 500 during stock market declines. Client agrees that maximum stockholdings at cost will generally be 5% of account value, and an exceptionally attractive stockholding may constitute about 10% of account value at cost. Client agrees that there is no guarantee against loss and there is no guarantee of profit.

Alternatively, clients choosing a speculative approach agree in their investment advisory contract that such investing constitutes "a) speculative risk to achieve maximum possible returns, and, in particular, b) sector concentration rather than diversification. Consequently, Client hereby directs Advisor to invest only in the Advisor's most attractive stocks regardless of sector concentration and lack of sector diversification. As such, Client's stock investments may be concentrated in only one sector, e.g., energy, with the substantial majority of account value possibly in only one group within that sector, e.g., oil and gas exploration. Moreover, when fully invested, Client prefers to invest in 15-25 stocks rather than the Advisor's typical 40 to 60 stocks. When about 50% invested and 50% in cash, Client prefers to invest in 10 to 20 stocks. Speculative risk also includes stock positions up to a maximum of 12% of equity at cost. Client understands that such stock concentration as opposed to diversification could result in a deep decline in overall account value. Advisor agrees to seek maximum possible returns, while still implementing selected sell disciplines aimed at preserving capital. In sum, Client agrees to tolerate speculative risk without any assurance against substantial loss."

Page 3, question 4B: other includes stock quotation data feeds to software that charts stocks, subgroups, groups, sectors, and markets real time, as well as any constructed portfolio.

Page 4, question 8: Smith Barney acts as broker-dealer for managed accounts and Rvest Partners LP. Pegasus Investment Management LLC is a registered investment advisor in the state of Washington. Pegasus provides some fundamental, technical, and strategic analysis to all three of my business thrusts. Pegasus is an outside consultant to Robbins Capital Management Inc. and Robbins

General Partners LLC, serving both entities to back up Bob Robbins when necessary. Rvest uses margin, shorts, covered calls, and rarely uncovered put options.

Page 5, question 9: I routinely purchase and sell stocks bought and sold for clients simultaneously at the same price they purchase and sell, respectively. My purchases are through my percentage ownership of Rvest Partners LP. My policy is to enter purchase or sell orders for RCM clients before Rvest. Very infrequently, I may purchase a stock for clients after I have bought it for my partnership under two situations and for the following reasons. One situation is I purchase the security at a lower price for the client. The second situation is that I held the security for a substantial length of time (generally more than 3 months), and the perceived quality of the investment must have improved from being suitable only for aggressive, high-risk investors of my partnership to become suitable for my clients, who include mostly moderate-risk investors.

My purchase of securities is disclosed in my investment adviser contract with each client:

**“Other Client Accounts:** Adviser acts as adviser and manager to other clients and investors and may give advice and take actions with respect to any of those clients or investors which may differ from the advice given or the timing or nature of action taken with respect to the Account. Transactions in a specific security may not be accomplished for all client and investor accounts at the same time or at the same price. Adviser need not purchase or sell for the Account any security which Adviser, its affiliates, or employees may purchase or sell for themselves, other clients, or investors. Except as required by law or authorized by Client, no information or advice provided by either party to the other will be disclosed to third parties. Adviser may choose to invest funds of one, some, or all clients and investors in the same stocks or the same portfolios, despite differing investment information and objectives of clients.”

Page 5, question 10: With rare exceptions, minimum initial asset contribution is \$200,000 -- for qualified investors only. Current Custodian is Smith Barney, Citigroup, which charges a percentage-of-assets fee for all account activity – about 1.0%, and modestly less on accounts much bigger than the minimum.

Page 5, question 11. Review of Accounts.

All accounts are currently managed as identically as feasible. The main difference is taxable versus nontaxable accounts. The second difference is regular accounts versus speculative accounts (described above). A third deviation is investment of new accounts: 1) usually equity investment of funds will be somewhat gradual in an attempt to reduce the risk of an initial loss at some sacrifice potential gain; 2) early equity investments are likely to be a more attractive subset of equity securities held in established accounts. All accounts are reviewed continuously.

B. Re: reports. Smith Barney, Citigroup provides their typical reports. My clients have access to their account information directly via Smith Barney’s web site. Also, my clients can visit my web site, which presents the highlights of my investment advisory service. Clients receive my portfolio newsletter at no extra cost via email. The newsletter is published about 8 times per year and explains key portfolio strategies used for advisory clients and advised to subscribers.

Page 6, question 12: Currently all my clients use Smith Barney, Citigroup as custodian. Their fee, about 1 percent, is a very good deal considering the roughly 500 trades per year on a 20-60 stock account, their integrated online trading and portfolio management, their broad and deep line of investment services, and the expertise of the FA and his associate servicing accounts. RCM’s high rate of buys and sells is rarely aimed at a quick profit per se; rather, its aim is adjusting risk and reward proactively to maximize long-term returns. Trends, especially over three months, are the key basis for my buys and sells of large and mid-cap stocks. Selection of small and micro-cap stocks is more heavily based on fundamental analysis.

Question 12 B: none of these complexities are involved. Smith Barney provides its usual range of research and account management services to all clients.

