

**FORM ADV****Uniform Application for Investment Adviser Registration****Part II – Page 1**

Name of Investment Adviser:				
<b>Vermilion Asset Management, LLC</b>				
Address: (Number and Street)		(City)	(State)	(Zip Code)
<b>345 Doucet Road, Suite 200A</b>		<b>Lafayette</b>	<b>LA</b>	<b>70503</b>
Area Code: Telephone Number:				
<b>(337)984-4018</b>				

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 governmental authority.

**Table of Contents**

<b><u>Item Number</u></b>	<b><u>Item</u></b>	<b><u>Page</u></b>
1	Advisory Services and Fees .....	2
2	Types of Clients .....	2
3	Types of Investments .....	3
4	Methods of Analysis, Sources of Information and Investment Strategies .....	3
5	Education and Business Standards .....	4
6	Education and Business Background .....	4
7	Other Business Activities .....	4
8	Other Financial Industry Activities or Affiliations .....	4
9	Participation or Interest in Client Transactions .....	5
10	Conditions for Managing Accounts .....	5
11	Review of Accounts .....	5
12	Investment or Brokerage Discretion .....	6
13	Additional Compensation .....	6
14	Balance Sheet .....	6
	Continuation Sheet .....	Schedule F
	Balance Sheet, if Required .....	Schedule G

(Schedule 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:

Vermilion Asset Management, LLC

SEC File Number:

801- N/A

Date:

02/01/2010

**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 checked="" type="checkbox"/> | (1) | Provides investment supervisory services . . . . .  | 95 % |
| <input type="checkbox"/>            | (2) | Manages investment advisory accounts not involving investment supervisory services . . . . .  | %    |
| <input checked="" type="checkbox"/> | (3) | Furnishes investment advice through consultations not included in either service described above . . . .  | 5 %  |
| <input type="checkbox"/>            | (4) | Issues periodicals about securities by subscription . . . . .   | %    |
| <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 service 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 type="checkbox"/>            | (9) | Furnishes advice about securities in any manner not described above . . . . .   | %    |

(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                                 | No                       |
| <input checked="" type="checkbox"/> | <input 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 type="checkbox"/> (4) Subscription fees |
| <input checked="" type="checkbox"/> (2) Hourly charges                               | <input type="checkbox"/> (5) Commissions       |
| <input checked="" type="checkbox"/> (3) Fixed fees (not including subscription fees) | <input type="checkbox"/> (6) Other             |

**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).

**FORM ADV****Part II - Page 3**

Applicant:

Vermilion Asset Management, LLC

SEC File Number:

801- N/A

Date:

02/01/2010

**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 type="checkbox"/> (1) securities                                    |
|  | <input type="checkbox"/> (2) commodities                                   |
| <input 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 checked="" 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 checked="" 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 checked="" type="checkbox"/> Corporate rating services             | (8) <input 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 type="checkbox"/> Margin transactions   |
| (2) <input checked="" type="checkbox"/> Short term purchases<br>(securities sold within a year)  | (6) <input 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) <input type="checkbox"/> Other (explain on Schedule F)   |
| (4) <input type="checkbox"/> Short sales   |  |

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

**FORM ADV****Part II - Page 4**

Applicant:

Vermilion Asset Management, LLC

SEC File Number:

801-N/A

Date:

02/01/2010

**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  
☒ ☐

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

**6. Education and Business Background.**

For:

- 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:
- |  |  |
|--|--|
| <input type="checkbox"/> (1) broker-dealer   | <input type="checkbox"/> (7) accounting firm                                       |
| <input type="checkbox"/> (2) investment company  | <input type="checkbox"/> (8) law firm  |
| <input type="checkbox"/> (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  
☐ ☒

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

**FORM ADV****Part II - Page 5**

Applicant:

Vermilion Asset Management, LLC

SEC File Number:

801- N/A

Date:

02/01/2010

**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.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

- 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.

**See Schedule F.**

- B. Describe below the nature and frequency of regular reports to clients on their accounts.

**See Schedule F.**

**FORM ADV****Part II - Page 6**

Applicant:

Vermilion Asset Management, LLC

SEC File Number:

801-N/A

Date:

02/01/2010

**12. Investment or Brokerage Discretion.**

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

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

B. Does applicant or a related person suggest brokers to clients? ..... Yes ☒ No ☐

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 products, 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 <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals? .....  | Yes <input type="checkbox"/> | No <input checked="" 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:

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
- 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 <input type="checkbox"/>	No <input checked="" type="checkbox"/>
--	------------------------------	--

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**

Adviser:	SEC File Number:	Date:
<b>Vermilion Asset Management, LLC</b>	801-N/A	<b>02/01/2010</b>

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1.	Full name of Adviser exactly as stated in Item 1A of Part I of Form ADV: <b>Vermilion Asset Management, LLC</b>	IRS Empl. Ident. No.:										
Item of Form (identify)	Answer											
<b>Part II, Page 2 Item 1D</b>	<p><b>INVESTMENT SUPERVISORY SERVICES</b></p> <p>Vermilion Asset Management, LLC (herein referred to as "VAM") provides investment management and supervisory services to its clients by effecting purchases and sales of individual securities and investment company shares in its clients accounts. VAM charges a fee for the provision of such services, quarterly, in arrears, which is based on the following:</p> <ul style="list-style-type: none"> <li>• Hourly rate of \$60.00 per hour with one hour minimum</li> <li>• A fixed annual retainer which is negotiated individually with each client</li> <li>• A percentage of the value of the client's assets under management according to the following schedule:</li> </ul> <table border="0"> <thead> <tr> <th><u>Assets Under VAM's Management/Supervision</u></th><th><u>Annual Fee as a Percentage of Account Value</u></th></tr> </thead> <tbody> <tr> <td>From \$1.00 to \$250,000</td><td>1.25%</td></tr> <tr> <td>From \$250,001 to 750,000</td><td>1.00%</td></tr> <tr> <td>From 750,001 to 1,250,000</td><td>0.75%</td></tr> <tr> <td>From 1,250,001 and up</td><td>0.50%</td></tr> </tbody> </table> <p>All fees are negotiable. VAM's clients agree in writing to the fee and agree in advance to the method of payment and calculation of the fee. Clients may terminate the investment Management agreement by written notice.</p> <p><b>Proxy Voting.</b> It is the general policy of VAM to not take any action or render any advice in reference to the voting of proxies for those securities held in all client accounts.</p> <p><b>Termination:</b> Either party may terminate this agreement upon seven (7) days written notice to the other by certified or registered mail to the address set forth above. Unearned fees paid in cash will be refunded pro-rata. Non payment of retainer by client, that is thirty (30) days past due, will also constitute termination of this agreement and the responsibilities of Advisor to Client.</p>		<u>Assets Under VAM's Management/Supervision</u>	<u>Annual Fee as a Percentage of Account Value</u>	From \$1.00 to \$250,000	1.25%	From \$250,001 to 750,000	1.00%	From 750,001 to 1,250,000	0.75%	From 1,250,001 and up	0.50%
<u>Assets Under VAM's Management/Supervision</u>	<u>Annual Fee as a Percentage of Account Value</u>											
From \$1.00 to \$250,000	1.25%											
From \$250,001 to 750,000	1.00%											
From 750,001 to 1,250,000	0.75%											
From 1,250,001 and up	0.50%											
<b>Part II, Page 4, Item 5</b>	<p><b>EDUCATION AND BUSINESS STANDARDS</b></p> <p>Individuals associated with VAM must meet certain education and business standards set by the firm. Individuals associated with VAM must have earned at least an undergraduate degree in a business field of study and have at least two years of applicable working experience in the finance services industry.</p>											
<b>Part II, Page 4 Item 6</b>	<p><b>EDUCATION AND BUSINESS BACKGROUND</b></p> <p><b>Brent Abshire</b></p> <p>Born in 1976 Education: B.S. in Finance from Louisiana State University, 1999 AAMS designation from American College, 2000</p> <p>Business Background:</p>											

**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Adviser:	SEC File Number:	Date:
<b>Vermilion Asset Management, LLC</b>	801-N/A	<b>02/01/2010</b>

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1.	Full name of Adviser exactly as stated in Item 1A of Part I of Form ADV: <b>Vermilion Asset Management, LLC</b>	IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
	<p>2005 - present, Vermilion Asset Management, LLC, Owner/Director  2003 - 2004, Cypress Capital Management, LLC, Member/Financial Advisor  2000 - 2002, Cohen &amp; Reed, Inc., Financial Advisor  1998 - 1999, Financial Design, Inc., Financial Advisor</p>	
<b>Part II, Page 5, Item 9E</b>	<p><b>PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS - BUY FOR ITSELF SECURITIES THAT IT ALSO RECOMMENDS TO CLIENTS.</b></p> <p>With respect to those accounts managed or supervised by VAM, no security may be bought or sold by a principal, employee or associated person of VAM in his or her personal account(s) before VAM's clients accounts have had the opportunity to make such transactions, as appropriate. Principals and employees will not receive a more favorable execution price on a particular day than those received by VAM's Investment advisory clients.</p> <p>To prevent conflicts of interest, all employees of VAM must comply with the firm's Written Supervisory Procedures, which imposes restrictions on the purchase or sale of securities for their own accounts and the accounts of certain affiliated persons.</p> <p><b>Code of Ethics</b> VAM has adopted a Code of Ethics to ensure that securities transactions by VAM employees are consistent with the company's fiduciary duty to its clients and to ensure compliance with legal requirements and the standards of business conduct. VAM requires transaction confirmation and quarterly reporting. A written copy of the Code of Ethics is available upon request.</p>	
<b>Part II, Page 5, Item 11A</b>	<p><b>Review of Accounts</b></p> <p>Clients with Assets Under management or supervision by Vermilion Asset Management, LLC (herein referred to as "VAM") are offered quarterly reviews during which the reviewer will discuss the contents of the quarterly report with the client. Clients may also request reviews at other times, or the reviewer may schedule a review at his or her discretion if the opinion of the reviewer, market conditions or a change in the client's financial situation warrants such a review. Clients who pay hourly charges for VAM's services may request reviews as desired. VAM employs one reviewer.  Brent Abshire, Owner/Director.</p>	
<b>Part II, Page 5, Item 11B</b>	<p><b>Reports</b></p> <p>Clients with assets under management or supervision by VAM are regularly provided with account activity reports which include information relating to:</p> <ul style="list-style-type: none"> <li>• A detailed summary of the individual securities and investment company shares held in the client's account(s);</li> <li>• A detailed summary of the account activity, including all purchases, sales, redemptions, and maturities for the reporting period;</li> <li>• An analysis of the allocation of the clients assets among various asset classes;</li> <li>• An analysis of the performance of, and net change in, the value of the client's account(s); and</li> <li>• A comparison of the account performance in relation to an applicable index.</li> </ul> <p>Clients receive brokerage transaction confirmations and monthly statements from the</p>	



**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Adviser:

**Vermilion Asset Management, LLC**

SEC File Number:

801-N/A

Date:

**02/01/2010**

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

<p>1. Full name of Adviser exactly as stated in Item 1A of Part I of Form ADV: <b>Vermilion Asset Management, LLC</b></p>	<p>IRS Empl. Ident. No.:</p>
<p>Item of Form (identify)</p>	<p>Answer</p>
<p><b>Part II, Page 6, Item 12B</b></p>	<p>custodian of the account.</p> <p><b>Investment or Broker Discretion</b>  Vermilion Asset Management, LLC (herein referred to as "VAM") suggests TD Ameritrade Institutional as the broker for all client accounts. VAM has determined that TD Ameritrade Institutional has the lowest commission rates for brokers offering similar levels of services.</p> <p>By using TD Ameritrade Institutional VAM is able to offer the following to clients:</p> <ul style="list-style-type: none"> <li>• No Transaction Fee Mutual Funds, CDs and other fixed income products without a commission, Equity trades with commissions of \$15.00 or \$9.00 (households over \$500,000).</li> <li>• Non-proprietary research from Standard and Poors, Reuters, and Vickers that is used in researching all investment decisions.</li> <li>• Web access to their accounts through <a href="http://www.advisorclient.com">www.advisorclient.com</a></li> </ul> <p>Clients may pay commissions higher than those obtainable from other brokers in return for these products and services.</p> <p>VAM receives no direct financial benefit from TD Ameritrade for suggesting that broker.</p>