



## Part 2A of Form ADV: Firm Brochure

### Item 1. Cover Page

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**THIS BROCHURE PROVIDES INFORMATION ABOUT THE QUALIFICATIONS AND BUSINESS PRACTICES OF LONGHORN CAPITAL MANAGEMENT, LLC (THE “COMPANY”). IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS BROCHURE, PLEASE CONTACT US AT 310.882.6380 EXT. 103. THE INFORMATION IN THIS BROCHURE HAS NOT BEEN APPROVED OR VERIFIED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE “COMMISSION”) OR BY ANY STATE SECURITIES AUTHORITY.**

**Additional information about Longhorn Capital Management, LLC also is available on the SEC website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

Any reference in this Brochure to “*registered investment advisor*” or being “*registered*” does not imply a certain level of skill or training.

Each investment advisory client will be given a copy of this Part II of Form ADV, Firm Brochure. Any information contained in this Brochure is intended solely for the use of the intended client. If you are not the intended recipient of this Brochure, you are hereby notified that you received this in error, and that the taking of any action in reliance on this Brochure is expressly prohibited. Management does not represent that this information is complete or accurate, and it should not be relied upon as such. This document is not a solicitation for the sale of securities.

Clients are under no obligation to act on any of the recommendations of the Company or its investment advisor representatives (“*IARs*”). If you elect to act on any of our recommendations, you are under no obligation to effect any transaction through us or any other party introduced by us.

**November 9, 2011**

## **Item 2. Material Changes**

Since the date of our last annual update of our Brochure, dated March 31, 2011, the Company has elected a chief infrastructure officer to manage its systems functions and added two new investment advisor representatives. One of the IARs will lead the Company's institutional division. See Item Part 2B of Form ADV: Brochure Supplement.

We have engaged Joseph Decosimo and Company, PLLC, an independent auditor, to conduct an annual surprise audit of the Company for 2011.

We are introducing a new branding concept for our institutional division which will do business as Longhorn Capital Advisors.

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### **Disclosure Regarding Forward-Looking Statements**

This Brochure contains "forward-looking statements," which are subject to a number of risks and uncertainties, many of which are beyond our control. Forward-looking statements are typically identified by the words "believe," "expect," "anticipate," "intend," "estimate" and similar expressions. Although management believes that the plans, intentions and expectations reflected in or suggested by such forward-looking statements are reasonable, we cannot assure you that such plans, intentions or expectations will be achieved.

All forward-looking statements are expressly qualified in their entirety by these cautionary statements. If one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect, actual results may vary materially from those expected. Given these uncertainties, users of the information included in this Brochure, including clients and prospective clients, are cautioned not to place undue reliance on such forward-looking statements. In light of these risks and uncertainties, there can be no assurance that the results and events contemplated by the forward-looking information will in fact occur. We do not undertake any obligation to update or revise or otherwise notify you of any changes of forward-looking statements. All subsequent written or oral forward-looking statements are expressly qualified in their entirety by these factors.

This Brochure does not constitute an offer to sell or a solicitation of an offer to buy any security. Any such offer or solicitation can only be made when preceded or accompanied by an offering memorandum which complies with all applicable laws. Investments involve various risk factors, conflicts of interest and compensation to advisors. Past performance is not indicative of future results.

Neither the Securities and Exchange Commission nor any state securities administrator has passed on or endorsed the merits of this Brochure. Any misrepresentation to the contrary is unlawful.

#### **IRS Circular 230 Disclosure**

Any statements contained herein as to tax matters were neither written nor intended by the Company to be used and cannot be used by any taxpayer for the purpose of avoiding tax penalties that may be imposed on such taxpayer. If any person uses or refers to any such tax statement in promoting, marketing or recommending a partnership or other entity, investment plan or arrangement to any taxpayer, then the statement expressed above is being delivered to support the promotion or marketing of the transaction or matter addressed, and you should seek advice on your particular circumstances from an independent tax advisor.

#### **U.S. Patriot Act Disclosure**

The Company hereby notifies you that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 [signed into law October 26, 2001]) (the "*Act*") and other applicable laws, rules and regulations, we may be required to obtain, verify and record information that identifies you. Such information includes your name and address and other information that will allow us to identify you in accordance with the Act and such other laws, rules and regulations.

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

The Company is a limited liability company formed in Delaware in 2005. It registered under the Investment Advisors Act of 1940, as amended, with the Commission in 2009. We offer investment advisory, management, supervisory and consulting services to institutional and retail clients for compensation. Intraline<sup>SM</sup> is a registered service mark of the Company.

The principal owners of the Company are as follows:

- Kenneth N. Wiseman, II, Trust 61.0%
- Extensor Capital N.A., LLC 39.0%

The officers of the Company are as follows:

- Kenneth N. Wiseman, II      President and CEO
- Penelope Y. Turnbow      Vice President, Chief Legal Officer, Secretary and Chief Compliance Officer
- D. Michele Bratcher      Controller
- Matthew V. Rabinowitz      Chief Infrastructure Officer

Ms. Turnbow, Mr. Rabinowitz and Ms. Bratcher hold similar positions with Extensor Capital N.A., LLC, an affiliate. Each of Ms. Turnbow and Mr. Rabinowitz owns 33.3% of Extensor Capital N.A., LLC.

Mr. Wiseman is the founder of the Company and has served as an investment advisor and registered representative of a broker-dealer for more than the past 10 years. He has passed the following principal/supervisory exams: Series 7, Series 24, Series 55, Series 63 and Series 65. He holds a Bachelor of Science from the University of Texas.

Ms. Turnbow is a licensed attorney and has practiced law for more than the past 10 years. She received a Bachelor of Business Administration, *cum laude*, in economics and finance, a Master of Business Administration and a Juris Doctorate from the University of Memphis.

Ms. Bratcher is a licensed certified public accountant and has served as such for more than the past 10 years. She received a Bachelor of Business Administration, *cum laude*, from the University of Texas at Arlington.

Mr. Rabinowitz has been a principal with Extensor Capital since February 2006. He received his Bachelor of Science in Electrical Engineering from Texas Tech University and his Master of Business Administration with an emphasis in strategy, finance and entrepreneurship from the University of Texas at Dallas.

The Company and its IARs offer advice on various types of investments including, but limited to, the following:

- Equity Securities – stocks, warrants
- Debt Securities – government, agency, corporate, municipal
- Repurchase agreements
- Hybrids – preferred, convertibles
- Investment companies – mutual funds, exchange –traded funds
- Options - equity
- Futures – rates, currencies
- Alternatives – hedge funds, real estate, minerals
- Illiquid assets – credit instruments, tangible assets
- Fixed annuities

We advise with respect to exchange traded, OTC and foreign securities and derivatives.

We enter into a written investment management agreement with each client which describes the services to be performed and our compensation. As part of the written agreement, you, the client, complete a risk tolerance questionnaire and specify in a written investment policy the investments we are permitted to make on your behalf. Your investment policy is designed to meet your unique needs, risk tolerance and suitability requirements. In the investment policy, you may impose restrictions on investing in certain types of securities and other investment products. Either party may terminate the investment management agreement upon 30 days prior written notice to the other party. In such case, our fees will be paid pro rata through the termination date and we are entitled to be reimbursed all out-of-pocket expenses.

As of October 31, 2011, the amount of client assets managed by the Company was approximately:

Discretionary	\$45,000,000
Non-Discretionary	<u>0</u>
Total	\$45,000,000

## **Item 5. Fees and Compensation**

The Company executes a written investment management agreement with each of its clients. All of our fees are negotiable and once agreed are set forth in the client investment management agreement. We do not have a fee standard schedule because each client is free to negotiate its own fees with us.

### *Types of Fees and Compensation*

While we may agree with a client on any number of fee structures, the most common fee structures are as follows:

- Institutional clients – incentive fees based on realized returns as determined under generally accepted accounting principles (“GAAP”). These fees may range from 20% - 50%. The measurement date for this type of fee is generally the last day of each calendar quarter. The Company serves as investment advisor to two private investment companies managed by Extensor Capital N.A., LLC, an affiliate. Certain clients of the Company are also investors in one or both of these private companies.
- Retail clients – a percentage of assets under management, which is typically 1.0% of your portfolio balance at the end of prior quarter or any portion thereof (pro-rata for actual time services are provided). These fees are charged quarterly in arrears.
- Consulting clients - \$350 per hour with a minimum retainer of \$5,000. These fees are billed monthly and due upon receipt of an invoice.
- Investment advisor representatives (“IARs”), with the prior written consent of the Company, may recommend that any suitable client invest in one or more alternative investments such as private investment pools or “hedge funds,” including the two

Extensor Capital private investment pools mentioned above. The issuer of alternative investments often pays finder fees or commissions to those who introduce clients that actually invest. These fees or commissions may be paid upon initial investment, typically ranging from 1%-7% depending on the issuer, or in the form of a carried interest in the pools or funds ranging from 1% - 30% of net income, as defined by the issuer. If the Company receives this type of compensation with respect to a retail client, it waives that client's fees which are based on a percentage of assets under management. This practice may present a conflict of interest, which will be discussed with you in advance, and give the Company or its IARs an incentive to recommend investment products based on compensation received, rather than on a your needs. Further, performance-based compensation may create an incentive for the IAR to recommend an investment that may carry a higher degree of risk to you.

#### *Payment Method*

At the end of each quarter, we invoice you for the fees due. Invoices are prepared by our controller and sent to you with a copy to the qualified custodian. When you become our client you will give the qualified custodian written instructions to deduct from your account the amount of the fee and credit our account with the custodian in the amount of the fees. Fees are billed quarterly in arrears.

We do not charge fees in advance. Fees are non-refundable.

#### *Other Fees and Expenses*

You may pay other fees and expenses such as custodian fees (account servicing fees, commission on trades, transaction costs, ticket charges, wire fees, etc.). See Item 12 below for more details of brokerage fees.

As part of our investment advice, we may recommend or select mutual funds for you. In addition to our fees, mutual funds may charge you various management and other fees for investments.

You have the option to purchase investment products that our IARs recommend through other brokers or agents that are not affiliated with the Company.

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

As mentioned in Item 5 above, the Company accepts performance-based fee, that is, fees based on a share of capital gains, on capital appreciation of the assets or profits of a client (such as a client that is a pooled investment vehicle).

We manage both accounts that are charged a performance-based fees and accounts that are charged another type of fee, such as a percentage of assets under management or an hourly fee. However, retail clients are typically charged only one type of fee; AUM fee.

The Company and its IARs may face conflicts of interest by managing these accounts at the same time, including that an IAR may have an incentive to favor accounts for which it or the Company receives a performance-based fee. In such situation, we intend to discuss these conflicts (actual or perceived) upfront with you.

While we seek to avoid conflicts of interest with our clients, conflicts exist. We address these conflicts through disclosure so you can make an informed decision as to whether to become or continue as a client of the Company. For example, an IAR may recommend that a suitable client invest in one of the Extensor Capital companies which the Company also serves as investment advisor and receives fees from Extensor Capital. Information regarding fees would be disclosed to you prior to any investment. All investments by Company clients into Extensor Capital companies require the prior approval of our chief compliance officer.

## **Item 7. Types of Clients**

We offer services to accredited investors, qualified clients and qualified purchasers as defined by the federal securities laws. These may include the following types of clients:

- High net worth individuals and family offices
- Operating businesses
- Private investment companies
- Small to mid-sized banks and credit unions
- Trusts
- Non-profit entities
- Municipalities
- Non U.S. citizens

The minimum account size of any retail client is \$250,000.

For retail clients, accounts must be held at a qualified custodian designated for retail clients. The respective custodian has its own account opening, maintenance and compliance requirements. Each account must be approved by the respective custodian.

For institutional clients, the Company may be retained as an investment manager over a client account at a financial institution which the Company may or may not have an existing relationship. The minimum account size for institutional clients is \$5,000,000, unless otherwise agreed by management.

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

### **Methods of Analysis**

In formulating investment advice or managing assets, we use technical and fundamental analysis. The Company also uses proprietary methods developed by its founder. Analysis has risk of human error.

The sources of information we use are primarily:

- Financial news
- Research materials published by others (accounting firms, law firms, other advisory companies, broker-dealers, government economic data)
- Reports filed by issuers with the Commission
- Ratings
- News releases
- Bloomberg
- Online trade organizations
- Publications of self-regulatory agencies (SROs)

## **Investment Strategies**

We use several investment strategies to implement investment advice provided to our clients, including but not limited to:

- Long term purchases (to hold more than one year)
- Short term purchases
- Trading
- Short sales
- Repurchase agreements
- Margin transactions
- Options writing, including spreading strategies
- Futures contracts

Each investment strategy has risk of loss and you should be prepared to bear losses. Each strategy has differing transaction costs and tax consequences. Certain investment strategies are not suitable for certain clients.

## **Risk of Loss**

### *In General*

An investment in securities involves a substantial degree of risk which you should carefully consider before investing. These risks include, but are not limited to:

- You could lose all of your money in an investment. No investment is risk free.
- Alternative investments are speculative and often illiquid depending upon the lock-up and liquidity provisions in the investment documents, which means you may have to exit such an investment at a price less than you originally purchased. Generally, short-term lock-up and liquidity provisions limit profits.
- The issuers and obligors of securities default from time to time, which means you may lose all of your investment.



- Returns are not guaranteed and you may not receive any returns at all.
- Performance is volatile and dependent upon services of the asset and fund managers.
- The price of securities fluctuates which changes the value of your investment.
- Changes in economic conditions, regulations, tax laws, interest rates, yield curves and payment rates affect the value of your investment.
- The use of margin and leverage increases risk.
- Some investments have restrictions on transfer and redemption such as notice periods and penalties.
- Transactions in securities are subject to substantial fees and expenses, which offset profits.

### *High Yield Investments*

An investment in high yield securities is subject to special risks which you should carefully consider. This document is not intended to be an exhaustive description of the risks involved in any individual security, but rather a general statement of the risks commonly associated with investments of this type. Information has been obtained from sources we believe to be reliable, but we cannot guarantee its accuracy or completeness.

High yield securities are securities that a nationally recognized credit rating organization, such as Standard & Poor's, Moody's or Fitch, has rated below "investment grade" or may be non-rated securities. These securities typically offer a higher yield than investment grade securities, but also present greater risks with respect to liquidity, volatility and non-payment of principal and interest. As a result of being classified as below investment grade, high yield securities present a greater degree of credit risk relative to many other fixed income securities. The following risks are associated with high yield investments:

- *Credit Risk.* An investment grade issue generally has a high capacity to pay interest and repay principal with little susceptibility to adverse changes in economic conditions. Conversely, a high yield security that is not investment grade generally has predominantly speculative characteristics with respect to the issuer's capacity to pay interest and repay principal. Therefore, there is greater risk of non-payment of interest and loss of principal. Many issuers of high yield securities have experienced substantial difficulties in servicing their obligations, which has led to defaults and restructurings. Additional risks discussed below may also increase the risk of default for an issuer of high yield securities. Due to these risks, the issuers of these securities generally have to pay a higher rate of interest than that which is available from investment grade securities.

- *Liquidity.* The markets in which high yield securities are traded are more limited than those in which investment grade securities are traded. This lack of liquidity may make it more difficult to resell these securities and obtain market quotations. In addition, the proceeds from sales prior to maturity may be more or less than principal invested due to changes in market conditions or changes in the credit quality of the issuer.
- *Call Risk.* High yield securities may be subject to call by the issuer, providing the issuer the right to redeem, fully or partially, before the scheduled maturity date of the security. In the event a security is called, you may be unable to reinvest the proceeds from such redemption, in an investment with similar return and risk characteristics. In many situations, reinvesting may occur in a lower interest rate environment when compared to the original issuance date of the high yield security that was called.
- *Interest Rate Risk.* Generally, a rise in interest rates may negatively affect the price of market traded bonds, because bond prices tend to move counter to the direction of rates. Therefore, rising rates may cause bond prices to decline. Additionally, bonds with longer maturities may be more sensitive to such interest rate movements.
- *Volatility Risk.* The market value of high yield securities tends to be sensitive to developments involving the issuer and to changes in economic conditions. Consequently, high yield securities have greater price volatility than investment grade securities.
- *Downgrade Risk.* Downgrades in the credit rating of high yield bonds by rating agencies are generally accompanied by declines in the market value of these bonds. In some circumstances, investors in the high yield market may anticipate such downgrades as a result of these credits being placed on “credit watch” by rating agencies, causing volatility and speculation of further credit deterioration.
- *Economic Risk.* Relates to the general vulnerability of a security due to a downturn in the economy. In difficult economic environments, high yield bonds may be more susceptible to price volatility as investors may reevaluate holdings in lower-quality bonds in favor of investment-grade bonds. This is often referred to a “flight to quality.” The concern is often associated with the underlying credit issuer’s ability to repay interest and principal if an economic downturn negatively impacts the business.
- *Event Risk.* This includes any of a variety of events that can adversely affect the issuer of a high yield security, and therefore the issuer’s ability to meet obligations to repay principal and interest to bond holders. Event risk may pertain to the issuer specifically, the industry or business sector of the issuer, or generally upon the overall economy. For example, the issuer may have a change in management, poor earnings, or difficulty obtaining additional credit to support operations. The issuer’s industry sector may be experiencing financial difficulties due to increased competition, rising costs, or a changing regulatory environment. Lastly, there may be adverse geopolitical or global economic news such as a recession, changes in fiscal or monetary policies, or adverse market conditions having a direct or indirect impact on the issuer and their outstanding debt.

**Item 9. Disciplinary Information**

None

**Item 10. Other Financial Industry Activities and Affiliations**

Kenneth N. Wiseman, the Company's president and CEO is also a registered representative of Bennett Ross, Inc., a broker-dealer and member of FINRA and SIPC. Marion Anthony Jabczynski, II is also a registered representative of Bennett Ross, Inc.

Bennett Ross, Inc. is a wholly-owned subsidiary of Extensor Capital N.A., LLC. Ms. Turnbow and Mr. Rabinowitz, each an officer of the Company, own 33.3% of Extensor Capital, N.A., LLC and each serves in similar roles at Extensor. Ms. Turnbow is legal counsel to Extensor Capital and its subsidiaries and affiliates. The Company's controller, Ms. Bratcher, serves in a similar role at Extensor and its subsidiaries and affiliates.

The Company does not conduct business with Bennett Ross, Inc. or recommend it to our clients.

The Company serves as investment advisor for two Extensor Capital private investment companies. Our IARs are permitted to recommend that a suitable client of the Company invest in such companies. Disclosure of potential conflicts will be made to clients considering any such recommendations.

Our auditor, Decosimo, serves as auditor for two Extensor Capital companies and Bennett Ross, Inc.

We have entered into an indemnification agreement each officer of the Company that provides him/her with rights to indemnification and expense advancement to the fullest extent permitted by Delaware law.

We believe that the terms of the agreements with the above mentioned parties and officers were made on terms no less favorable to the Company or you than could have been otherwise obtained from unaffiliated third parties.

All future transactions involving the Company, its officers, affiliates and principals are expected to be on terms no less favorable to the Company or you than could be obtained from unaffiliated third parties.

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

We have adopted a written code of ethics pursuant to SEC Rule 204A-1. This code contains customary policies regarding:

- A standard of business conduct that is required of each IAR which reflects our fiduciary obligations and those of our IARs.
- Compliance by IARs with applicable federal securities laws.
- Periodic reporting by certain persons to the Company regarding their personal securities transactions and holdings.
- Reporting by IARs of violations of the code of ethics promptly to our chief compliance officer.
- Delivery of copies of the code of ethics and any amendments to IARs and acknowledgment of receipt.

We will provide a copy of our code of ethics to any client or prospective client upon request.

As previously stated in this Brochure, the Company is an advisor to two Extensor Capital private investment companies. The Company is paid a fee of 20% of realized profits resulting from the Company's advice to these the companies. Our IARs may recommend that suitable clients consider investing with Extensor which is a conflict of interest that will be disclosed to clients prior to investing.

Further, most of our related persons are investors in mutual funds through 401(k) plans with prior employers, individual IRA accounts or as direct investors. It is possible that an IAR of the Company could recommend a mutual fund in which one of our related persons owns an interest. We monitor personal holdings of our related parties so that disclosure may be made to clients prior to recommending the same mutual fund.

The Company has adopted a written compliance manual to assist related persons to avoid conflicts of interests which could arise when buying or selling securities for their own accounts at or near the same time an IAR may be buying and selling those same securities for a client. Each IAR prepares a daily trade log and these logs are reviewed by our chief compliance officer for possible conflicts involving related persons. The Company addresses such conflicts, if any, through disclosure to the client.

We may perform block stock and bond trades for clients accounts held at our custodians to obtain more favorable pricing and better execution on trades. Block trades will be allocated in each participating client account. Allocation quantities are based upon each individual portfolio circumstances including client risk tolerance, stated investment objectives and tax situation. On partially filled orders, our aggregation policy is to pro-rate the number of shares/bonds to each participating account on an equal percentage basis. An exception to a straight proration on partial executions may occur under certain circumstances where shares/bonds are allocated to one account over another account when building a new position versus adding to an existing position. In all cases, affected accounts will receive the same average price obtained in the block transaction.

## **Item 12. Brokerage Practices**

### *Custodian and Brokers*

We do not maintain custody of your assets that we manage or on which we advise, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account. Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank.

We recommend that our retail clients use Fidelity as the qualified custodian. We are independently owned and operated and are not affiliated with any qualified custodian. The custodian holds your assets in a brokerage account and will buy and sell securities when we instruct them to do so. While we recommend that you use Fidelity as custodian, you will decide whether to do so and will open your account by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so. Even though your account is maintained at Fidelity, we can still use other brokers to execute trades for your account as described below.

We recommend that our institutional clients use as a qualified custodian a prime broker or clearing firm which is a member of FICC. For institutional clients, it is important that the executing broker be capable of clearing and settling all types of securities transactions, including repurchase agreements.

### *How We Select Brokers*

It is our intention to use a custodian and broker who will hold your assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear and settle trades
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds, etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength and stability
- Prior service to us and our other clients
- Availability of other products and services that benefit us, as discussed below.

### *Your Brokerage and Custody Costs*

For our client accounts that Fidelity maintains, Fidelity generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your account. Fidelity's commission rates applicable to our client accounts were negotiated based on the condition that our clients collectively maintain a total of at least \$30 million of their assets in accounts at Fidelity. This commitment benefits you because the overall commission rates you pay are lower than they would be otherwise.

In addition to commissions, Fidelity may charge you a flat dollar amount or "trade away" fee for each trade that we execute by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we expect to have Fidelity execute most trades for your account. We believe that having Fidelity execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above.

### *Products and Services Available to Us from Custodian*

The Company has an arrangement with Fidelity through which Fidelity provides the Company with its "platform" services. The platform services include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support intermediaries like the Company in conducting business and in serving the best interests of their clients but that may benefit the Company. The availability of these services from Fidelity benefits us because we do not have to produce or purchase them.

Fidelity charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity enables us to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Fidelity's commission rates are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by Fidelity may be higher or lower than those charged by other custodians and broker-dealers.

As part of the arrangement, Fidelity also makes available to the Company, at no additional charge to us, certain research and brokerage services, including research services obtained by Fidelity directly from independent research companies, as selected by the Company (within specified parameters). These research and brokerage services are used by the Company to manage accounts for which we have investment discretion. Without this arrangement, we might be compelled to purchase the same or similar services at our own expense.

Fidelity offers other services intended to help us manage and further develop our business. These services include:

- Educational conferences and events
- Consulting on technology, compliance and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants and insurance providers

Fidelity may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Fidelity may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Fidelity may provide us with other benefits, such as occasional business entertainment of our personnel.

As a result of receiving such services for no additional cost, the Company may have an incentive to continue to use or expand the use of Fidelity's services. We examined this potential conflict of interest when we chose to enter into the relationship with Fidelity and have determined that the relationship is in the best interests of the Company's clients and satisfies its client obligations, including our duty to seek best execution. You may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, to the benefit of all clients, it may not necessarily obtain the lowest possible commission rates for specific client account transactions. Although the investment research products and services that may be obtained by the Company will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account. The Company and Fidelity are not affiliates.

### **Item 13. Review of Accounts**

Your account is reviewed at least monthly by our president and your IAR. You may review your account online with the custodian. The monthly review focuses primarily on positions held and valuation. The individual IARs track client data to ensure your objectives are being achieved. Accounts may be reviewed more frequently upon request.

We use software provided by our custodians to download client account activity and use it to generate written quarterly reports for our clients using Black Diamond portfolio software. We also provide our clients an annual review. The contents of the quarterly reports include:

- Quarterly Asset Allocation –actual vs. investment policy allocation
- Quarterly Performance Review – current quarter and year-to-date
- Quarterly Portfolio Statement – current positions

Quarterly reports are distributed to clients no later than 15 days after year calendar quarter end.

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

We receive an economic benefit from qualified custodians, in the form of the support products and services they make available to us and other independent investment advisors whose clients maintain their accounts at the custodians. These products and services, how they benefit us, and the related conflicts of interest are described above in Item 12. The availability to us of these products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

#### **Item 15. Custody**

While our custodian is Fidelity, the Company maintains brokerage relationships with several brokerage and clearing firms and may add other qualified custodians. Buy and sell orders may be placed with these firms to obtain more favorable pricing and to access a wider range of investments. The opening of client accounts must be approved by the qualified custodian.

Under government regulations, we are deemed to have custody of your assets if, for example, you authorize us to instruct the qualified custodian to deduct our advisory fees directly from your account or if you grant us authority to move your money to another person's account. The custodian maintains actual custody of your assets. You will receive account statements directly from the custodian at least monthly. They will be sent to the email or postal mailing address you provided to the custodian. You should carefully review those statements promptly when you receive them. We urge you to compare the account statements to the quarterly report you will receive from us.

#### **Item 16. Investment Discretion**

The Company accepts discretionary authority to manage accounts on behalf of clients. In such situations, the Company holds a power of attorney or limited trading authorization from you to execute transactions on your behalf in accordance with your customized written investment policy. For such trades, the Company may direct the selection of the brokers and the execution of the trades. We only conduct trades with global broker-dealers which are creditworthy counterparties. Commission rates are standard market rates charged by the broker-dealers to their clients.

Pursuant to the power of attorney, you authorize the Company to take the following actions without obtaining your specific consent:

- Determine the types of securities to be bought and sold
- Determine the amount of securities to be bought and sold
- Select the broker-dealer to be used for any transactions
- Agree to commission rates to be paid

The power of attorney or limited trading authorization is revocable by you at any time.



**Item 17. Voting Client Securities**

The Company does not accept authority to vote client securities.

You will receive your proxies and other solicitations from the custodian or the transfer agent of the issuer and not from the Company. You may contact the Company by telephone, mail or email (see cover page for details) with questions about a particular solicitation but you are not obligated to vote in any manner suggested or implied by the Company or any of its IARs.

**Item 18. Financial Information**

No applicable.

**Item 19. Requirements for State-Registered Advisers**

None



## Part 2B of Form ADV: Brochure Supplement

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### Item 1. Cover Page

**Supervised Person:** Kenneth N. Wiseman, II  
427 N. Tatnall Street  
Suite 52811  
Wilmington, DE 19801  
Telephone: 310.882.6380, ext. 104  
Email: kw@longhornllc.com

**Firm Name:** Longhorn Capital Management, LLC  
427 N. Tatnall Street  
Suite 52811  
Wilmington, DE 19801  
www.longhornllc.com

**Telephone No.:** 310.882.6380

**Fax:** 815.346.2452

**Date:** November 9, 2011

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**THIS BROCHURE SUPPLEMENT PROVIDES INFORMATION ABOUT KENNETH N. WISEMAN, II THAT SUPPLEMENTS THE LONGHORN CAPITAL MANAGEMENT, LLC (THE “COMPANY”) BROCHURE. YOU SHOULD HAVE RECEIVED A COPY OF THE BROCHURE. PLEASE CONTACT PENELOPE Y. TURNBOW, CHIEF LEGAL OFFICER, AT 310.882.6380 EXT. 103 IF YOU DID NOT RECEIVE THE COMPANY’S BROCHURE OR IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS SUPPLEMENT.**

**Additional information about Kenneth N. Wiseman, II is available on the SEC website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 2. Educational Background and Business Experience**

Kenneth Nelson Wiseman, II was born in 1959. He holds a BS from the University of Texas. He has passed the following principal/supervisory exams: Series 7, Series 24, Series 55, Series 63 and Series 65. Additional information about the securities industry's qualifications and continuing education requirements, as well as the examinations administered by FINRA to brokers and other securities professionals can be found at: [www.finra.org/Industry/Compliance/Registration/QualificationsExams/index.htm](http://www.finra.org/Industry/Compliance/Registration/QualificationsExams/index.htm).

Mr. Wiseman has served as president and CEO of the Company for more than the preceding five years.

**Item 3. Disciplinary Information**

None

**Item 4. Other Business Activities**

Mr. Wiseman serves as the president and CEO of Bennett Ross, Inc., a registered broker-dealer and member of FINRA and SIPC. There is no business relationship between the Company and Bennett Ross, Inc.

**Item 5. Additional Compensation**

None

**Item 6. Supervision**

Mr. Wiseman is the president of the Company and is responsible for supervising all supervised persons of the Company and monitoring the advice supervised persons provide to our clients. He delegates a portion of this responsibility to the company's compliance, legal and accounting officers.

**Item 7. Requirements for State-Registered Advisors**

None



## Part 2B of Form ADV: Brochure Supplement

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### Item 1. Cover Page

**Supervised Person:** Marion Anthony Jabczynski, II  
23 Corporate Plaza  
Suite 150  
Newport Beach, CA 92660  
Telephone: 949.612.9202  
Email: tj@intralineam.com

**Firm Name:** Longhorn Capital Management, LLC  
427 N. Tatnall Street  
Suite 52811  
Wilmington, DE 19801  
www.longhornllc.com

**Telephone No.:** 310.882.6380

**Fax:** 815.346.2452

**Date:** November 9, 2011

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**THIS BROCHURE SUPPLEMENT PROVIDES INFORMATION ABOUT MARION ANTHONY JABCZENSKI, II THAT SUPPLEMENTS THE LONGHORN CAPITAL MANAGEMENT, LLC (THE "COMPANY") BROCHURE. YOU SHOULD HAVE RECEIVED A COPY OF THE BROCHURE. PLEASE CONTACT PENELOPE Y. TURNBOW, CHIEF LEGAL OFFICER, AT 310.882.6380 EXT. 103 IF YOU DID NOT RECEIVE THE COMPANY'S BROCHURE OR IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS SUPPLEMENT.**

**Additional information about Marion Anthony Jabczynski, II is available on the SEC website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 2. Educational Background and Business Experience**

Marion Anthony Jabczenski, II was born in 1966. He holds a MA in Finance from Webster University and a BS in Organizational Communication from Arizona State University.

He has passed the following principal/supervisory exams: Series 7, 24, 63 and 65. Additional information about the securities industry's qualifications and continuing education requirements, as well as the examinations administered by FINRA to brokers and other securities professionals can be found at: [www.finra.org/Industry/Compliance/Registration/QualificationsExams/index.htm](http://www.finra.org/Industry/Compliance/Registration/QualificationsExams/index.htm).

His business background for the preceding five years is as follows:

- Wealth manager and chief economist with Iwamoto, Kong Co. Inc. 2006-2011.
- Registered representative with Dolphin Securities, Inc. 2006-2008
- Investment advisor representative with Fuller Asset Management, LLC 2005-2006
- Registered representative with Fidelity Investments 1999-2005

**Item 3. Disciplinary Information**

None

**Item 4. Other Business Activities**

Mr. Jabczenski is a registered representative of Bennett Ross, Inc., broker-dealer and member of FINRA and SIPC. There is no business relationship between the Company and Bennett Ross, Inc.

**Item 5. Additional Compensation**

None

**Item 6. Supervision**

Kenneth N. Wiseman, II, the president of the Company, is responsible for supervising Mr. Jabczenski and monitoring the advice Mr. Jabczenski provides to clients of the Company. The telephone number for Mr. Wiseman is 817.800.4031.

Mr. Wiseman receives regular reports from Mr. Jabczenski about his activities and has access to records of the custodian regarding client accounts. The Company's controller monitors accounting matters associated with Mr. Jabczenski's activities and the Company's legal officer has oversight of legal and compliance matters.

The Company has implemented technology to track activities relating to all matters involving clients. These systems are outsourced and hosted by well-known third party vendors.

**Item 7. Requirements for State-Registered Advisors**

None



## Part 2B of Form ADV: Brochure Supplement

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### Item 1. Cover Page

**Supervised Person:** Ryan Michael Lepper  
12900 Hall Road  
Suite 460  
Sterling Heights, MI 48313  
Telephone: 310.882.6380, ext. 109  
Email: rl@longhornllc.com

**Firm Name:** Longhorn Capital Management, LLC  
427 N. Tatnall Street  
Suite 52811  
Wilmington, DE 19801  
www.longhornllc.com

**Telephone No.:** 310.882.6380

**Fax:** 815.346.2452

**Date:** November 9, 2011

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**THIS BROCHURE SUPPLEMENT PROVIDES INFORMATION ABOUT RYAN M. LEPPER THAT SUPPLEMENTS THE LONGHORN CAPITAL MANAGEMENT, LLC (THE "COMPANY") BROCHURE. YOU SHOULD HAVE RECEIVED A COPY OF THE BROCHURE. PLEASE CONTACT PENELOPE Y. TURNBOW, CHIEF LEGAL OFFICER, AT 310.882.6380 EXT. 103 IF YOU DID NOT RECEIVE THE COMPANY'S BROCHURE OR IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS SUPPLEMENT.**

**Additional information about Ryan M. Lepper is available on the SEC website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 2. Educational Background and Business Experience**

Ryan M. Lepper was born in 1978. He earned a Bachelors of Finance from Central Michigan University and a MBA from Wayne State University in International Finance.

He has passed the following principal/supervisory exams: Series 7, 63 and 65. Additional information about the securities industry's qualifications and continuing education requirements, as well as the examinations administered by FINRA to brokers and other securities professionals can be found at: [www.finra.org/Industry/Compliance/Registration/QualificationsExams/index.htm](http://www.finra.org/Industry/Compliance/Registration/QualificationsExams/index.htm).

His business background for the preceding five years is as follows:

- Investment advisor with LPL Financial, LLC, 07/2010 – 09/2011
- Senior vice president and team leader for Michigan for J.P. Morgan Securities Inc., 01/2008 – 07/2010
- Vice president and portfolio manager for Fifth Third Securities Inc. 08/2004 – 01/2008

**Item 3. Disciplinary Information**

None

**Item 4. Other Business Activities**

None

**Item 5. Additional Compensation**

None

**Item 6. Supervision**

Kenneth N. Wiseman, II, the president of the Company, is responsible for supervising Mr. Lepper and monitoring the advice Mr. Lepper provides to clients of the Company. The telephone number for Mr. Wiseman is 817.800.4031.

Mr. Wiseman receives regular reports from Mr. Lepper about his activities and has access to records of the custodian regarding client accounts. The Company's controller monitors accounting matters associated with Mr. Lepper's activities and the Company's legal officer has oversight of legal and compliance matters.

The Company has implemented technology to track activities relating to all matters involving clients. These systems are outsourced and hosted by well-known third party vendors.

**Item 7. Requirements for State-Registered Advisors**

None



## Part 2B of Form ADV: Brochure Supplement

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### Item 1. Cover Page

**Supervised Person:** Robert Allan Goudeseune  
12900 Hall Road  
Suite 460  
Sterling Heights, MI 48313  
Telephone: 310.882.6380, ext. 110  
Email: rg@longhornllc.com

**Firm Name:** Longhorn Capital Management, LLC  
427 N. Tatnall Street  
Suite 52811  
Wilmington, DE 19801  
www.longhornllc.com

**Telephone No.:** 310.882.6380

**Fax:** 815.346.2452

**Date:** November 9, 2011

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**THIS BROCHURE SUPPLEMENT PROVIDES INFORMATION ABOUT ROBERT ALLAN GOUDESEUNE THAT SUPPLEMENTS THE LONGHORN CAPITAL MANAGEMENT, LLC (THE “COMPANY”) BROCHURE. YOU SHOULD HAVE RECEIVED A COPY OF THE BROCHURE. PLEASE CONTACT PENELOPE Y. TURNBOW, CHIEF LEGAL OFFICER, AT 310.882.6380, EXT. 103 IF YOU DID NOT RECEIVE THE COMPANY’S BROCHURE OR IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS SUPPLEMENT.**

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



**Item 2. Educational Background and Business Experience**

Robert Allan Goudeseune was born in 1962. He is a graduate of the ABA National Trust School at Northwestern University. He earned his Bachelors of Science in Accounting from the University of Michigan and a Masters of Business Administration, *with Honors*, from Eastern Michigan University.

He has passed the following principal/supervisory exams: Series 7 and 65. Additional information about the securities industry's qualifications and continuing education requirements, as well as the examinations administered by FINRA to brokers and other securities professionals can be found at: [www.finra.org/Industry/Compliance/Registration/QualificationsExams/index.htm](http://www.finra.org/Industry/Compliance/Registration/QualificationsExams/index.htm).

His business background for the preceding five years is as follows:

- Financial advisor with LPL Financial, LLC, 02/2011 – 09/2011
- Financial advisor with Morgan Stanley Smith Barney, 06/2009 – 01/2011
- Client Advisor with Citigroup Global Markets Inc., 05/2009 – 07/2009
- Investment Advisor with JPM Securities Inc., 05/2007 – 06/2009
- Managing director with Fifth Third Securities, 09/2005 – 12/2006

**Item 3. Disciplinary Information**

None

**Item 4. Other Business Activities**

None

**Item 5. Additional Compensation**

None

**Item 6. Supervision**

Kenneth N. Wiseman, II, the president of the Company, is responsible for supervising Mr. Goudeseune and monitoring the advice Mr. Goudeseune provides to clients of the Company. The telephone number for Mr. Wiseman is 817.800.4031.

Mr. Wiseman receives regular reports from Mr. Goudeseune about his activities and has access to records of the custodian regarding client accounts. The Company's controller monitors accounting matters associated with Mr. Goudeseune's activities and the Company's legal officer has oversight of legal and compliance matters.

The Company has implemented technology to track activities relating to all matters involving clients. These systems are outsourced and hosted by well-known third party vendors.

**Item 7. Requirements for State-Registered Advisors**

None