



## **Part 2A of Form ADV: FIRM BROCHURE OF**

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**This brochure provides information about the qualifications and business practices of Roseline Capitol Advisors, LLC. If you have questions about the contents of this brochure, please contact Nicholas Bertozzi at 804-545-7454. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Registration with the SEC or state securities authority does not imply any level of skill or training.**

## **ITEM 2. MATERIAL CHANGES**

This brochure is filed as the annual update to the Form ADV, Part 2. The last update was filed with the SEC on March 10, 2010. Since that filing, we have retained Sumita Ashrafi, Esq. as our Chief Compliance Officer and promoted Nicholas Bertozzi to Senior Operations Officer. Other than these two personnel changes, there have not been any material changes to this brochure since the last update. Additionally, if you would like another copy of this brochure, please download it from the SEC website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or contact Nicholas Bertozzi at 804-545-7454.

# TABLE OF CONTENTS

## (ITEM 3)

SECTION	PAGE
ITEM 2: Material Changes	2
ITEM 4: Advisory Business	4
ITEM 5: Fees and Compensation	8
ITEM 6: Performance-Based Fees and Side-By-Side Management	9
ITEM 7: Types of Client	9
ITEM 8: Methods of Analysis, Investment Strategies and Risk of Loss	9
ITEM 9: Disciplinary Information	10
ITEM 10: Other Financial Industry Activities and Affiliations	10
ITEM 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	10
ITEM 12: Brokerage Practices	11
ITEM 13: Review of Accounts	12
ITEM 14: Client Referrals and Other Compensation	13
ITEM 15: Custody	13
ITEM 16: Investment Discretion	13
ITEM 17: Voting Client Securities	14
ITEM 18: Financial Information	15
ITEM 19: Requirements for State-Registered Advisers	15
ITEM 20: Additional Disclosures	15

#### **ITEM 4: ADVISORY BUSINESS**

Roseline Capitol Advisors, LLC (Hereinafter referred to as “Roseline” or “Advisor”) has been in business since October 2005. It is structured as a Limited Liability Company, and its principal owners are James W. Copley, James V. Duty, and John E. Flounders.

Roseline offers investment supervisory services to individuals, not-for-profit organizations, foundations and other institutions. Our service is implemented on a discretionary or non-discretionary basis, managed by us through separate investments in equities, mutual funds, exchange-traded funds, closed-end funds, bonds, cash-equivalents, commodities, futures contracts and other alternative investment instruments. The Advisor also provides investment consulting services that relate to matters such as allocation of assets among different classes, portfolio diversification, managing portfolio risk, and other general economic and financial topics. Account supervision is guided by the stated objectives of the client (i.e., inflation protection, maximum capital appreciation, growth, etc.) and all managed accounts are maintained with an independent custodian.

As of March 2, 2011, Roseline’s discretionary assets under management (AUM) were \$100,600,000 in 152 accounts. Advisor does not have non-discretionary accounts.

Our client’s investment objectives are identified by assessing the client’s risk tolerance based upon their age, income, education, need for cash flows, investment goals, and emotional tolerance for volatility. The information provided by the clients will be collected during client meetings and interviews. Strategies are developed and implemented through an optimal combination of investments. Capital market conditions and client circumstances are monitored; and portfolio adjustments are made as appropriate to reflect significant changes in any or all of the above variables.

#### **Educational Background and Business Experience**

##### **James V. Duty**

Year of Birth: 1957

Formal Education After High School

- University of Arizona, M.S.-Accounting, 1981
- University of Virginia, B.S.-Commerce, 1980

#### Business Background:

- October 2005 to Present  
Roseline Capitol Advisors, LLC—Partner  
The Roseline Financial Group, LLC-Managing Director  
Roseline Tax Advisors, PLLC-Partner
- May 2004 to December 2007  
Norwick Advisors-Sole Proprietor
- August 1989 to April 2004  
KPMG, LLP Senior Manager 1989-1992  
Partner-1992-2000  
Director-2000-2004

### **John E. “Jef” Flounders**

Year of Birth: 1972

#### Formal Education After High School

- Virginia Polytechnic Institute & State University, M.B.A., 1996
- Virginia Polytechnic Institute & State University, B.S.-Accounting, 1994

#### Business Background:

- October 2005 to Present  
Roseline Capitol Advisors, LLC—Partner  
The Roseline Financial Group, LLC-Partner  
Roseline Tax Advisors, PLLC-Partner
- October 1996 to September 2005  
KPMG, LLP Manager-October 2003 to September 2005  
Staff Accountant-October 1996 to September 2003

### **James W. “Jay” Copley, CFA**

Year of Birth: 1952

#### Formal Education After High School

- CFA Institute, Chartered Financial Analyst designation, 1984

- University of Richmond, M.B.A., 1977
- University of Richmond, B.A., 1974
- Ferrum College, A.S., 1972

#### Business Background

- June 2006 to Present  
Roseline Capitol Advisors, LLC-Partner  
The Roseline Financial Group,LLC-Partner
- August 2001 to May 2006  
Private Investor
- 1997 to August 2001  
Trigon Healthcare-Senior Vice President/Chief Investment Officer
- 1988 to 1997  
Consolidated Investment Corp,-President (investment subsidiary of Blue Cross/Blue Shield)  
Consolidated Standish-President (joint venture with Standish, Ayer & Wood)
- 1975 to 1988  
Blue Cross/Blue Shield Investment Manager-1981 to 1988  
Investment Analyst-1977 to 1981  
Finance Trainee-1975 to 1977

#### **Nicholas R. Bertozzi**

Year of Birth: 1981

Formal Education After High School:

- Randolph-Macon College, B.A.-Business/Economics, 2003

#### Business Background

- November 2007 to Present  
Roseline Capitol Advisors, LLC-Senior Operations Officer-January 2011 to present  
Portfolio/Operations Manager-November 2007 to December 2010

- September 2006 to November 2007  
Wachovia Securities-Associate Agency Trader
- April 2005 to September 2006  
Wachovia Securities-UIT Trader
- October 2003 to April 2005  
South Trust/Wachovia Bank-Floating Financial Sales Representative

### **Sumita Ashrafi, Esq.**

Year of Birth: 1966

Formal Education After High School

- West Virginia University College of Law, 1992, Juris Doctor
- Boston College, 1988-B.A., Political Science

Business Background:

- September 2009 to present  
Roseline Capitol Advisors, LLC-Chief Compliance Officer  
(Ms. Ashrafi serves as an independent contractor to Roseline through Oyster Consulting, LLC, a compliance and regulatory consulting firm).
- August 2008 to May 2009  
ICMA-RC-Senior Manager, Audit Division
- March 2005 to July 2008  
Wachovia Securities-Regulatory Attorney
- October 2001 to February 2005  
TD Waterhouse Capital Markets, Inc.-Chief Compliance Officer

## **ITEM 5: FEES AND COMPENSATION**

For investment supervisory services, compensation is derived as fee income based upon the percentage of assets under management. The compensation method is explained and agreed with the clients in advance before any services are rendered. The compensation for our services, which may include developing and implementing an investment policy and objectives; formulating a quantitatively driven asset allocation analysis and recommendation; and monitoring a client's investment results is 1% on all assets under management subject to a minimum annual fee of \$10,000.

Generally, the minimum dollar value of assets suggested to set up an investment advisory account is \$1,000,000. The Advisor has the discretion to waive the minimum account size and the minimum annual fee. Accounts with a small balance may pay a higher percentage annual fee than those normally charged due to the \$10,000 minimum annual fee.

The amount of the fees may be negotiated on a case by case basis with the client, and is based upon a number of factors, including but not limited to, the following: the amount of work involved; the types of assets placed under management; and the attention needed to manage the account. If requested by the client, Advisor may consider a fixed fee in lieu of an asset based management fee as agreed to with the client.

Fees may be billed in advance on the last day of the preceding calendar quarter as agreed to by the client. Fees will generally be deducted directly from the client's brokerage or custodial account pursuant to a written agreement. Investment advisory services begin with the effective date of the Agreement, which is the date on which the client signs the Investment Advisory Agreement. If a client engages Advisory mid-quarter, fees are collected on a pro-rated basis.

Advisor shall not pro-rate the fees collected for any withdrawal made by the client during the applicable calendar quarter but will pro-rate the fees for the capital contribution made during the applicable calendar quarter.

Either the Advisor or the client may terminate the Agreement with 30 days notice. Roseline provides notice of termination, in writing as indicated in its client agreement. Upon termination, the fees charged for the advisory services will be pro-rated and a refund for any unearned fees will be issued. The client is responsible to pay for services rendered until the termination of the agreement. The client can cancel the Agreement without penalty within the first five business days after the signing of the Agreement.

Clients should be aware of their responsibility to verify the accuracy of the fee calculation submitted to the custodian by the Advisor, as the custodian will not determine whether the fee has been properly calculated. Advisory fees charged by the Advisor are separate and distinct from fees and expenses charged by mutual funds and exchange-traded funds, which



may be recommended to clients. A description of these fees and expenses are available in each fund's prospectus.

These fees are for advisory services only and do not include other costs that the client may incur, including but not limited to, transaction fees, commissions or other custodial fees.

## **ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Roseline does not charge advisory fees on a share of the capital appreciation of the funds or securities in a client account (so-called performance based fees). Our advisory fee compensation is charged as discussed above.

## **ITEM 7: TYPES OF CLIENT**

The majority of the Advisor's clients are high net worth individuals, small business owners and corporate executives. Additionally, the Advisor also serves foundations, charitable organizations, trusts, estates and retirement plans.

## **ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

Advisor's methods of analysis and investment strategies include the following:

- Charting
- Fundamental
- Technical
- Cyclical

### **Risk of Risk of Loss**

Securities markets fluctuate substantially over time. All investments in securities include a risk of loss of money invested (principal) and any unrealized profits (i.e., profits in the account that have not been liquidated, sometimes called "paper profits"). In addition, as recent global and domestic economic events have indicated, performance of any investment is not guaranteed. As a result, there is a risk of loss of the assets Roseline manages that may be out of our control. Roseline cannot guarantee any level of performance or that clients will not experience a loss of account assets.

Roseline does not represent, warrant or imply that the services or methods of analysis used by the Advisor can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or crashes. No guarantees can be offered that clients' goals or objectives will be achieved. Further, no promises or assumptions can be made that the advisory services offered by Roseline will provide a better return than other investment strategies.

Varied fluctuations in the price of investments are a normal characteristic of securities markets due to a variety of influences. Managed account programs should be considered a long-term investment and thus long-term performance and performance consistency are the major goals.

### **ITEM 9: DISCIPLINARY INFORMATION**

Roseline is obligated to disclose any legal or disciplinary event(s) that would be material to a client's, or prospective client's evaluation of our advisory business. We do not have any legal or other disciplinary item to report.

### **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Advisor's two partners, James Duty and Jef Flounders, are also principals of The Roseline Financial Group, LLC, the Advisor's parent company, and Roseline Tax Advisors, PLLC, an affiliated CPA firm that provides tax consulting and preparation services and non-investment related financial planning services. All of the Advisor's employees are paid by The Roseline Financial Group.

It is anticipated that Mr. Duty will devote approximately 60% of his time and Mr. Flounders will devote 40% of his time in these other capacities.

### **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

#### **Code of Ethics**

In order to provide an understanding of Roseline's standards for meeting our fiduciary responsibility to clients, the Advisor has adopted a Code of Ethics (herein after referred to as the "Code"), which includes formal insider trading and personal securities transaction policies and procedures. Furthermore, the Firm, its principals and employees are permitted to trade securities for their own personal accounts and may purchase or sell the same securities that are recommended to clients.

The Advisor's Code also requires all employees to effect the following: (1) pre-clear certain personal securities transactions; (2) report personal securities transactions on at least a quarterly basis; and (3) provide the Advisor with a detailed summary of certain holdings (both initially upon commencement of employment and annually thereafter) over which such employees have a direct or indirect beneficial interest.

A copy of the Advisor's Code shall be provided to any client or prospective client upon request.

### **Participation or Interest in Client Transactions and Personal Trading**

Related persons of Roseline (any advisory affiliate and any person that is under common control with the Advisor) may buy or sell securities identical to those securities recommended to clients. Hence, related persons may have an interest or position in certain securities that are also recommended and bought or sold to clients. Related persons may not put their interests before the client's interest. Advisor's employees may not trade ahead of their clients nor trade in such a way to obtain a better price for themselves than clients. Roseline is required to maintain a list of all securities holdings for its associated persons. Additionally, associated persons are prohibited from trading on non-public information or sharing such information.

## **ITEM 12: BROKERAGE PRACTICES**

### **A.1. Research and Other Soft Dollar Benefits:**

Although the Advisor does not receive any compensation for soft dollar arrangements, it does participate in Fidelity Brokerage Services, LLC's ("Fidelity") sponsored advisory program, which is discussed below.

### **Fidelity Brokerage Services, LLC Sponsored Advisory Programs**

The Advisor participates in the institutional program offered by Fidelity and absent a client having an existing brokerage relationship; the Advisor will assist the client with developing a relationship with Fidelity.

As part of the institutional programs offered by Fidelity, the Advisor receives benefits that it would not receive if it did not provide investment advice to clients. While there is no direct affiliation or fee sharing arrangements between Fidelity and the Advisor, economic benefits are received by the Advisor that would not be received if the Advisor did not have an established relationship with this company. These benefits do not depend upon the amount of transactions directed by the Advisor to Fidelity. These benefits may include: a dedicated trading

desk that services the Advisor's clients, a dedicated service group and an account services manager dedicated to the Advisor's accounts, access to a real-time order matching system, ability to block client trades, efficient download of trades, portfolio management software, access to electronic interface, duplicate and batched client statements, confirmations and year-round summaries, the ability to have advisory fees directly debited from client accounts (in accordance with federal and state requirements), a quarterly newsletter, access to mutual funds, ability to have loads waived for the Advisor's clients who invest in certain loaded funds when certain conditions are met and maintained, and the ability to have custody fees waived.

#### A.2. Brokerage For Client Referrals:

The Advisor does not receive any compensation or incentive for recommending any broker-dealer. Clients always have the option of selecting any broker-dealer they would like to use.

#### A.3. Directed Brokerage

A client may direct the Advisor, in writing, to use a particular broker-dealer to execute all transactions for client's account. However, note that this is not a routine practice of the Advisor. When a client selects a broker to be used for his account, the commission rates are decided upon between the client and his broker. In addition, the Advisor does not have any responsibility for obtaining for the client from any such broker the best prices or particular commission rates, and the client may not obtain rates as low as it might otherwise obtain if the Advisor had discretion to select broker-dealers other than those chosen by the client.

Clients that restrict the Advisor to using a particular broker-dealer (or direct us to use a particular broker-dealer) for executing their transactions generally will be unable to participate in aggregated orders, and will be precluded from receiving the benefits, if any, of an aggregation which other clients may receive. The Advisor will generally execute aggregated orders for non-directed clients before executing orders for clients that direct brokerage.

### **ITEM 13: REVIEW OF ACCOUNTS**

Generally, managed accounts are reviewed on a weekly basis by the three partners, James Duty, Jef Flounders, and Jay Copley. Factors taken into consideration during a review include, but are not limited to, asset allocation, performance and conformance with investment guidelines and restrictions. Market fluctuations, changes in a client's financial circumstances or income needs, geo-economic changes, or changes in an investment manager's strategy are factors that may trigger a review.

Financial Planning accounts are reviewed semi-annually or annually or as directed by the client.

Reviewers are instructed to review client accounts to ensure that they are consistent with the guidelines and restrictions established by the client's Investment Policy Statement.

Also note that the Advisor provides clients with quarterly reports that address allocation, securities holdings, account performance and investment strategy. Clients receive monthly statements from the custodian.

#### **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

Roseline does not compensate a client or any other person for referrals.

#### **ITEM 15: CUSTODY**

The Advisor does not maintain custody of client funds or securities, nor does it hold any stock, bond, or other security, investment certificate or cash (except in the payment of its advisory fee) that is part of the Client's account. Custody of client assets shall be maintained with an independent custodian selected by the Client. Clients shall receive account statements directly from their custodian(s) and should read the statements carefully for accuracy.

#### **ITEM 16: INVESTMENT DISCRETION**

Pursuant to clients' written agreements, the Advisor has full discretion with respect to purchase and sale in the clients' accounts, and the amount of such purchases and sales. Discretionary authority provides the Advisor the ability to determine the securities to be purchased and sold and when such securities are purchased and sold. The majority of the Advisor's accounts are discretionary.

Accounts the Advisor manages on a discretionary basis may receive more favorable executions when purchasing or selling securities than accounts managed on a non-discretionary basis due to the fact that the Advisor must receive client authorization before placing a trade order.

In the course of providing our services, we will execute trades for our clients through broker-dealers. When a client has given us broker discretion, there is no restriction on the brokers we may select to execute client transactions. Our general guiding principle is to trade through broker-dealers who offer the best overall execution under the particular circumstances.

With respect to execution, we consider a number of factors, including if the broker has custody of client assets; the actual handling of the order; the ability of the broker-dealer to settle the trade promptly and accurately; the financial standing of the broker-dealer; the ability of the broker-dealer to position stock to facilitate execution; our past experience with similar trades; and other factors which may be unique to a particular order. Based upon these judgmental factors, we may trade through broker-dealers that charge fees that are higher than the lowest available fees.

In addition, broker-dealer fees may vary and be greater than those typical for similar investments if we determine that the research, execution or other services rendered by a particular broker merit greater than typical fees. Also, in certain circumstances, we may execute over-the-counter securities transactions on an agency basis, which may result in advisory clients incurring two transaction costs for a single trade: a commission paid to the executing broker-dealer plus the market-makers mark-up or mark-down.

Orders for the same security entered on behalf of more than one client will generally be aggregated (bunched) subject to the aggregation being in the best interests of all participating clients. Subsequent orders for the same security entered during the trading day may be aggregated with any previously unfilled orders; filled orders shall be allocated separately from subsequent orders. All clients participating in each aggregated order shall receive the average price and if applicable, pay a pro-rata portion of commissions. Accounts that are beneficially owned by the Advisor or its employee or access person may participate in aggregated orders under the same conditions as set forth above. Transactions are usually aggregated to seek a lower commission, lower costs, or a more advantageous net price.

As a fiduciary, the Advisor puts the interests of its client ahead of its own. Note however, the Advisor, its officers, members, or employees may acquire securities for their own account which may be different than those purchased for the accounts of its clients. The Advisor is not obligated to acquire any security, for any account that in the Advisor's discretion is determined not to be practical or desirable.

## **ITEM 17: VOTING CLIENT SECURITIES**

Notwithstanding Advisor's discretionary authority to make investment decisions on behalf of clients, Advisor will not exercise proxy voting authority over securities held in client accounts. The obligation to vote proxy securities shall at all time rest with the client. Advisor shall not be deemed to have proxy voting authority solely as a result of providing advice or information about a particular proxy vote to a client.

Should Advisor inadvertently receive proxy information for a security held in a client's account, then Advisor will make a good faith effort to forward such information on to the client

in a timely manner, but will not take any further action with respect to the voting of such proxy. Upon termination of its Investment Advisory Agreement with a client, Advisor shall make a good faith and reasonable attempt to forward proxy information inadvertently received by Advisor on behalf of the client to the forwarding address provided by the client to Advisor.

## **ITEM 18: FINANCIAL INFORMATION**

This section is inapplicable to the Advisor. The Advisor does not solicit prepayment for more than \$1,200 in fees per client, six or more months in advance.

## **ITEM 19: REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

This section is not applicable to the Advisor.

## **ITEM 20: ADDITIONAL DISCLOSURES**

Although not required by Form ADV, Part 2, Advisor discloses the following, which a client or prospective client may deem material:

- If needed, Advisor may implement a manual work-around to a computer system or program it utilizes until an adequate remedy is available;
- If needed, Advisor in good faith will attempt to notify its clients of any material administrative changes via e-mail, U.S mail or another appropriate means. If client does not respond back the information needed in a timely fashion, the Advisor will use its discretion and shall be permitted to make a good faith decision on behalf of the client.
- As a courtesy, Advisor may tailor its advisory services to individual accounts of clients and negotiate or waive the fees.