

## **Firm Brochure**

(Part 2A of Form ADV)

### **Mission Capital Management, LLC**

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This brochure provides you with information about the qualifications, business practices, and nature of advisory services of MISSION CAPITAL MANAGEMENT, LLC, all of which should be considered before becoming an advisory client of our firm. Please contact Mike Mullican, Managing Member, if you have any questions about this narrative brochure.

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.

We are registered as an Investment Adviser with the United States Securities and Exchange Commission ("SEC"). Nonetheless, registration with the securities division does not imply any level of skill or training. Additional information about our firm is available on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by using a unique identifying number, known as a CRD number. Our firm's CRD number is 137715.

## **ITEM 2 MATERIAL CHANGES**

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### **ANNUAL UPDATE**

This section of our brochure will reflect the annual update of any material changes that occur after issuance and delivery of our firm's brochure.

### **MATERIAL CHANGES SINCE THE LAST UPDATE**

The U.S. Securities and Exchange Commission issued a final rule in October 2010 requiring advisers to provide a Firm Brochure in narrative "plain English" format. The new final rule specifies mandatory sections and organization.

### **FULL BROCHURE AVAILABLE**

If you would like to receive a copy of our Firm Brochure, please contact us by telephone at 615-778-1788 or by email at [info@missioncapitalmanagement.com](mailto:info@missioncapitalmanagement.com).

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## ITEM 4      **ADVISORY SERVICES**

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### A.      FIRM DESCRIPTION

MISSION CAPITAL MANAGEMENT, LLC (“MISSION CAPITAL” or “Firm”) is an investment management firm that is registered with the U.S. Securities Exchange Commission (“SEC”) as an investment adviser. It was founded on September 15, 2005 in the State of Tennessee. MISSION CAPITAL was founded by a group of experienced investment professionals with extensive financial industry backgrounds. The Firm seeks to leverage its principals’ significant experience, relationships, and internal resources to provide clients with alternative investment management and advisory services.

Our Firm is a wealth management firm that provides personal Portfolio Management Services.

#### 1. Principal Owner

The principal owners’ respective ownership and control in MISSION CAPITAL are detailed in the following table.

<i>Full Legal Name</i>	<i>Title or Status</i>	<i>Date Title Acquired</i>	<i>Ownership Level</i>	Control Person
John Michael Mullican	Managing Member/Chief Compliance Officer	01/2010	25%	Yes
Jared Seth Davis	Managing Member	01/2010	25%	Yes
Jonathan M. Gillett	Managing Member	10/2005	25%	Yes
Jonathan H. McAdams	Member	09/2008	25%	Yes

### B.      TYPES OF ADVISORY SERVICES

We are an investment management firm that provides financial advisory services to individuals. We do not provide financial planning, estate planning, or insurance planning services.

- PORTFOLIO MANAGEMENT

MISSION CAPITAL provides investment management services to individuals whose primary objective is to preserve and enhance capital. MISSION CAPITAL provides personal portfolio management services designed to offer suitable participants with portfolio construction, defined investment strategies, and other services to meet your investment goals and objectives. MISSION CAPITAL is responsible for providing on-going allocation, re-balancing, and monitoring of our client’s securities holdings. Our approach is to help each client individually establish and then meet specific goals, while staying within the risk tolerance level indicated by each client.

Our advice regarding financial securities encompasses listed and over-the counter Equities; Mutual Funds, Corporate Debt Securities, Certificates of Deposit, Municipal Securities, and Equity Option Contracts.

- THIRD PARTY MONEY MANAGEMENT

MISSION CAPITAL enters into sub-advisory agreements with other Investment Advisers to provide separate account management services on a discretionary basis. In our standard agreement, an Investment Adviser would enter an agreement with MISSION CAPITAL for selection of its separate account management services on behalf of clients. MISSION CAPITAL relies on the Investment Adviser to determine whether its client's goals, objectives, financial status, and risk tolerance aligns with the investment discipline of the MISSION CAPITAL'S managed account. The client pays one advisory fee, and the sub-advisory agreement will delineate billing procedures and compensation arrangements among advisers.

C. **TAILORED SERVICES**

The portfolio management advisory programs offered by MISSION CAPITAL directly to end clients are based on individual needs of our clients and the suitability of products and services. Our advice is based on thorough assessment of our client's goals, objectives, investment horizon, and risk tolerance. This information is used to generate an asset allocation model for the client.

Clients are advised to notify MISSION CAPITAL promptly if there are any material changes in their financial situation, investment objectives, or in the event they wish to employ restrictions upon investment management services. Client shall retain the right to terminate MISSION CAPITAL's services by providing written request to MISSION CAPITAL.

D. **WRAP FEE PROGRAMS**

MISSION CAPITAL is not a participant in, nor sponsor of, any Wrap Fee Program.

E. **ASSETS UNDER MANAGEMENT**

We currently manage \$25,450,407 in client assets; all managed on a discretionary basis. This asset under management amount is based on our calculations as of January 19, 2011.

## **ITEM 5 FEES AND COMPENSATION**

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### **A. ADVISORY FEES**

MISSION CAPITAL earns its fees and compensation by providing advisory services.

- PORTFOLIO MANAGEMENT FEES

Our fee schedule for personal Portfolio Management services generally is 2.0% per annum on assets under management. Our fees are negotiable and the fee is determined in conjunction with the investment strategy selected, the size of the account, and the services covered.

- THIRD PARTY MANAGEMENT FEES

Fees charged by MISSION CAPITAL with respect to sub-advisory agreements with other investment advisers are generally 2%. The fee sharing agreement is delineated in a pre-defined compensation arrangement.

Lower fees for comparable services may be available from other sources.

### **B. BILLING PROCEDURES**

#### **PORTFOLIO MANAGEMENT FEES**

The management fee is based on the quarterly weighted daily average net assets (securities, cash, and cash equivalents) under management ("Net Assets") over the relevant quarter. Our advisory fees for portfolio management accounts are payable quarterly in arrears as of the first business day of the subsequent quarter. The Management Fee will be appropriately prorated to reflect any withdrawals and/or contributions which occur during a quarter, and shall be paid to the MISSION CAPITAL regardless of the Account's profitability. As outlined in our Investment Management Agreement, MISSION CAPITAL's fees will be deducted directly from the client's account(s). MISSION CAPITAL reserves the right to waive or reduce management fees.

### **C. OTHER FEES & EXPENSES**

#### **PORTFOLIO MANAGEMENT ACCOUNTS**

There may be additional costs associated with portfolio management. Clients may incur certain charges imposed by other third parties in connection with investments made through the account, including but not limited to, annual maintenance fees, brokerage,

clearance, custody, and administrative fees. These third-party fees are exclusive of the advisory fees.

**D. FEE PAYMENT & REFUND POLICY**

As noted in Item 5B, clients authorize the deduction of fees directly from their account by the appointed custodian (i.e., the broker-dealer, clearing firm, trust company or authorized institution maintain the account). The custodian will then remit the applicable fee to MISSION CAPITAL.

MISSION CAPITAL has no formal refund policy because advisory fees payable are assessed in arrears. In the event of agreement termination, refunds are based on allocations of fees over the number of days remaining in the quarter through the date of termination.

**E. OTHER COMPENSATION**

MISSION CAPITAL does not accept compensation for the sale of securities or other investment products.

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

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MISSION CAPITAL does not charge performance fees.

MISSION CAPITAL does conduct side-by-side management of client accounts and Alloy Capital Management, LLC (“Alloy”). Alloy is under common control with MISSION CAPITAL by nature of Mssrs Gillett’s, McAdams’, Mullican’s and Davis’ majority ownership of both entities. Alloy is also an investment management firm providing investment advice to Alloy Global Fund, L.P., a Delaware limited partnership (the “Alloy Fund”), which invests its assets in securities. Alloy also serves as the general partner to the Alloy Fund.

Clients of MISSION CAPITAL may, from time to time, be referred to Alloy for services so long as (i) such clients of MISSION CAPITAL are qualified to make such an investment in the Fund and (ii) the Fund is a suitable investment for such clients of MISSION CAPITAL. MISSION CAPITAL does not receive compensation for these referrals, but the firms have common owners who benefit from the relationship. This arrangement can create conflicts of interest in that referring clients of MISSION CAPITAL for investment in the Alloy Fund may result in a substantial percentage of investments that benefit MISSION CAPITAL and its related entities. Clients will be



advised of conflicts of interest in writing before effectuating transaction in the Alloy Fund.

## **ITEM 7      TYPES OF CLIENTS**

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MISSION CAPITAL manages wealth portfolios and generally provides advice to Individuals.

### **1. PORTFOLIO MANAGEMENT ACCOUNTS**

MISSION CAPITAL generally requires a minimum account size of \$50,000 for portfolio management services. This requirement may be waived at MISSION CAPITAL's discretion.

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

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### **A.      METHODS OF ANALYSIS**

MISSION CAPITAL utilizes a variety of investment strategies including charting, fundamental, technical, and cyclical analyses. The main sources of information we use include but are not limited to financial newspapers and magazines, inspections of corporate activities, research material prepared by others, and annual reports, prospectuses, and corporate filings with the SEC.

We employ fundamental analysis as our primary method for analyzing securities to achieve the investment objectives and goals of the client. Fundamental analysis consists of analyzing financial statements of companies, calculating financial ratios, and reviewing cyclical trends of industries in conjunction with other monetary policy indicators to assess the overall performance and profitability of companies. We may at times also employ technical analysis and charting to analyze securities.

### **B.      INVESTMENT STRATEGIES**

The investment strategies of MISSION CAPITAL consist of asset diversification. Our general recommendations consist of diversifying assets over several different asset classes. This diversification process includes equities, EFTs, bonds, and alternative investments of different companies in diverse industry sectors. Our firm may employ short sales, margin transactions, or options writing strategies in the portfolio management process. Some of our strategies possess greater risk than others, clients should be aware that over-concentrated use of short sales, margin transactions and option writing strategies, increases the risk of loss of investment principal.

### **C. RISK OF LOSS**

Notwithstanding the method of analysis or investment strategy employed by our firm, the assets within your portfolio are subject to risk of devaluation or loss. MISSION CAPITAL wants you to be aware that there are many different events that can affect the value of your assets or portfolio including, but not limited to, changes in financial status of companies, market fluctuations, changes in exchange rates, trading suspensions and delays, economic reports, and natural disasters.

While this information provides a synopsis of the events that may affect your investments, this listing is not exhaustive. We want you to understand that there are inherent risks associated with investing and depending on the risk occurrence, you may suffer LOSS OF ALL OR PART OF YOUR PRINCIPAL INVESTMENT.

## **ITEM 9 DISCIPLINARY INFORMATION**

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The Firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

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

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### **A. FINANCIAL INDUSTRY ACTIVITIES**

MISSION CAPITAL is not a registered Broker-Dealer, Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor.

### **B. FINANCIAL INDUSTRY AFFILIATIONS**

1. None of MISSION CAPITAL's management or supervised persons is registered as, or has an application pending to register as, a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor.
2. MISSION CAPITAL has a relationship with Mission Financial, LLC ("Mission Financial") which is under common control by nature of Mssrs Gillett's, McAdams', Mullican's and Davis' ownership of both entities. Mission Financial offers personal financial services, which entails bookkeeping services, to its clients. Clients of MISSION CAPITAL may be referred to Mission Financial for these services when appropriate. MISSION CAPITAL does not receive compensation for these referrals.
3. Alloy Capital Management, LLC ("Alloy"), which is under common control with MISSION CAPITAL by nature of Mssrs Gillett's, McAdams', Mullican's and Davis'

majority ownership of both entities, is an investment management firm providing investment advice to Alloy Global Fund, L.P., a Delaware limited partnership (the “Fund”), which invests its assets in securities. Alloy also serves as the general partner to the Fund. Clients of MISSION CAPITAL may, from time to time, be referred to Alloy for services so long as (i) such clients of MISSION CAPITAL are qualified to make such an investment in the Fund and (ii) the Fund is a suitable investment for such clients of MISSION CAPITAL. MISSION CAPITAL does not receive compensation for these referrals, but the firms have common owners who benefit from the relationship. Clients will be advised of potential conflicts of interest.

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

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### **A. CODE OF ETHICS**

All employees of MISSION CAPITAL must act in an ethical and professional manner. In view of the foregoing and applicable provisions of relevant law, MISSION CAPITAL has determined to adopt a Code of Ethics to specify and prohibit certain types of transactions deemed to create conflicts of interest (or at least the potential for or the appearance of such a conflict), and to establish reporting requirements and enforcement procedures relating to personal trading by MISSION CAPITAL personnel. MISSION CAPITAL’s Code of Ethics, which specifically deals with professional standards, insider trading, personal trading, gifts and entertainment, and fiduciary duties, establishes ideals for ethical conduct based upon fundamental principles of openness, integrity, honesty, and trust. We will provide a copy of its Code of Ethics to any client or prospective client upon request.

### **B. PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS**

MISSION CAPITAL recommends to its investment advisory clients or prospective investment advisory clients the purchase or sale of the private investment fund, Alloy Global Fund, L.P. (the “Fund”). MISSION CAPITAL does not receive compensation for these referrals. As noted above, MISSION CAPITAL and Alloy, the investment management firm providing investment advice to the Fund, have common owners who benefit from the relationship. Each client will be advised of potential conflicts of interest.

### **C. PROPRIETARY TRADING**

MISSION CAPITAL manages an investment account held in MISSION CAPITAL’s name, along with investment accounts held in the names of principals of MISSION CAPITAL and their extended families. At times, we at MISSION CAPITAL may buy or sell securities for our own accounts that we have also recommend to clients. However,

any purchase or sale of a security by MISSION CAPITAL or a related person will be subject to MISSION CAPITAL's fiduciary duty to its clients. MISSION CAPITAL and its employees have a fiduciary duty to place the interests of clients ahead of their own interests. MISSION CAPITAL will always document any transactions that could be construed as conflicts of interest. To mitigate or remedy any conflicts of interest or perceived conflicts of interest, we will monitor our proprietary and personal trading reports for adherence to our Code of Ethics.

**D. SIMULTANEOUS TRADING**

From time to time, representatives of MISSION CAPITAL may buy or sell securities for themselves at or around the same time as clients. In any instance where similar securities are being bought or sold, we will uphold our fiduciary duty by always transacting on behalf of our client before transacting for our own benefit. Trades executed on behalf of the firm and related parties are executed either simultaneously (using a bunched order) or after trades on behalf of the clients in the same securities. Records of all security transactions by MISSION CAPITAL and related persons will be maintained at MISSION CAPITAL's office.

## **ITEM 12 BROKERAGE PRACTICES**

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**A. SELECTION AND RECOMMENDATION**

MISSION CAPITAL maintains relationships with TD AMERITRADE Institutional, Division of TD AMERITRADE, Inc. (CRD 7870) & TD AMERITRADE Clearing, Inc., (CRD 5633), members of the Financial Industry Regulatory Authority, Inc. ("FINRA") and the Securities Investor Protection Corp. ("SIPC"). Brokerage services are provided exclusively by TD AMERITRADE, Inc. (CRD 7870).

TD AMERITRADE is an unaffiliated registered broker-dealer and NASD member. TD AMERITRADE offers independent advisers services which include custody of securities, trade execution, clearance and settlement of transactions. We are advisory platform participants of TD AMERITRADE, whereby custodial and brokerage services are provided to our firm. As a result of cost implications and operational support and services, TD AMERITRADE receives preferred status for our brokerage and asset custodial needs. This custodian was chosen based on their relatively low transaction fees, client services, back-office support, and product selections.

MISSION CAPITAL receives no financial benefit from TD Ameritrade and has selected this firm based upon its below average fee structure for client accounts.

## 1. SOFT DOLLAR BENEFITS

### **a. Free Research**

As a result of our preferred relationship with TD AMERITRADE, we receive research services to supplement our own research. The supplemental research includes current and historical data regarding companies, industries, and the financial economic conditions in its entirety. We also receive technical, fundamental and statistical analysis covering various investment opportunities, risks and trends and transactions is used for the benefit of all of our clients.

### **b. Incentives**

Due to our arrangement with TD AMERITRADE, it may be perceived that there is an incentive for MISSION CAPITAL to select or recommend services based on our own interest in receiving the research or other products or services, rather than that of our clients' interest. To the contrary, utilizing our preferred custodian broker dealer allow us to achieve the most favorable execution of client transactions and minimize trading costs for our clients.

### **c. Implications of Mark-ups or Markdowns**

MISSION CAPITAL does not charge a premium or commission on transactions, beyond the actual cost or fees imposed by custodian.

### **d. Benefits to Clients**

MISSION CAPITAL does not segregate the interest of clients and no research, product or service will solely benefit the interest of a particular client just by virtue of that's clients transactions being effected by a broker-dealer providing such research or any other product or service. Soft dollar benefits are allocated to benefit all clients proportionately.

### **e. Provisions**

MISSION CAPITAL has not acquired any products and services with client brokerage commissions.

### **f. Transactions during last fiscal year**

Please see Item 12.A.1.e

## 2. BROKERAGE FOR CLIENT REFERRALS

MISSION CAPITAL does not receive client referrals from broker-dealers or third parties in exchange for using that broker-dealer or third party.

### 3. DIRECTED BROKERAGE

#### **a. General Requirements**

MISSION CAPITAL routinely requires that clients utilize a specific custodian to execute transactions. Clients must use TD AMERITRADE, our recommended qualified custodian. The arrangement that we have with TD AMERITRADE is designed to maximize efficiency and to be cost effective for our clients. By requiring clients to use our specific custodian, we seek to achieve most favorable execution of client transactions.

#### **b. Permit**

While MISSION CAPITAL does not usually permit clients to direct brokerage, this matter may be given due consideration depending on the needs of the client.

### **B. ORDER AGGREGATION**

From time to time, we may aggregate orders in a block trade or trades when securities are purchased or sold through the same broker-dealer for multiple discretionary accounts. When trading in one “block” where pieces are executed at different prices, an average price is given to all participants in the trade, ensuring that all clients are treated fairly. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage particular client accounts.

## **ITEM 13 REVIEW OF ACCOUNTS**

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### **A. PERIODIC REVIEWS**

MISSION CAPITAL’s criterion for reviewing client accounts is as follows:

#### **1. PORTFOLIO MANAGEMENT REVIEWS**

MISSION CAPITAL reviews its client’s account activity at least monthly. Our Investment Adviser Representatives are responsible for conducting the review of client accounts. The reviews are monitored by our Chief Compliance Officer. These reviews may include closing positions that have, in the advisors opinion, achieved their full potential or are no longer attractive investments, opening new positions which appear attractive and/or rebalancing the portfolio to its target allocation. If reallocation of investments is necessary, we sell underperforming investments or to buy new investments that are more appropriate for your investment goals and objectives.

The goal of the review process is to maintain a level of diversification which is appropriate for the client, along with above average quality or appreciation potential for the securities in the portfolio. Responsibility for all of the firm's 129 accounts is held jointly by the reviewers with the majority of the accounts being assigned to and periodically rebalanced to remain in compliance with one of 28 different model portfolios. The model portfolios are reviewed and updated at least monthly.

**B. INTERMITTENT REVIEW FACTORS**

Intermittent reviews may be triggered by substantial market fluctuation, economic or political events, or by changes in your financial status (such as retirement, termination of employment, relocation, or inheritance).

**C. CLIENT REPORTS**

Regular reports are generated quarterly for all clients or more frequently upon request. These reports include the portfolio's net total return, management fees, security identification, and current market value by security and for the portfolio as a whole.

You will receive a report at least monthly from the custodian detailing your account holdings.

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**ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION**

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**A. ECONOMIC BENEFITS FOR ADVISORY SERVICES RENDERED**

MISSION CAPITAL does not receive and does not have any arrangement to receive economic benefits (such as sales awards or other prizes) from any non-client as a result of providing investment advice or other advisory services to clients.

**B. COMPENSATION FOR CLIENT REFERRALS**

MISSION CAPITAL may, at times, enter into soliciting agreements to provide cash compensation to third parties for client referrals or introductions to the firm. Our compensation agreements are made in accordance with Rule 206(4)-3 under the Investment Adviser Act of 1940 and the applicable state regulations. The compensation is disclosed to clients by the third party referral source in a separate disclosure document that complies with Rule 206(4)-3 and applicable state regulations. Generally, these arrangements provide compensation equal to a specific percentage of the fees received by our firm. This arrangement creates a conflict of interest in that cash compensation may impair the solicitor's evaluation of the client's suitability for the Firm's programs. To mitigate or remedy this conflict of interest the Chief Compliance Officer will review referrals to ensure suitability with program before compensating the solicitor.

## **ITEM 15 CUSTODY**

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### **A. CUSTODIAN OF ASSETS**

MISSION CAPITAL does not have direct custody of any client funds or securities. Our firm has indirect custody of your funds and securities, also sometimes referred to herein as your portfolio assets, by virtue of our discretionary authority. Our clients' assets are held by registered broker-dealer, TD AMERITRADE; TD Ameritrade Institutional is the custodian of your portfolio assets.

### **B. ACCOUNT STATEMENTS**

Although we are your adviser, your statements will be mailed by TD Ameritrade Institutional. When you receive these statements, please review them carefully. Please compare asset values, holdings, and fees on your statement to that in the report issued the previous quarter.

## **ITEM 16 INVESTMENT DISCRETION**

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### **A. DISCRETIONARY AUTHORITY**

It is MISSION CAPITAL's customary procedure to have full discretionary authority in order to supervise and direct the investments of your accounts. You grant this authority upon execution of our Investment Management Agreement. This authority is for the purpose of making and implementing investment decisions, without your prior consultation. All investment decisions are made in accordance with your stated investment objectives. Accordingly, MISSION CAPITAL is authorized to perform various functions, at the client's expense, without prior approval from the client. Such functions include the determination of the securities to be purchased/sold.

You may inform our firm of restrictions that you would like to impose regarding investment strategies or types of securities transactions within your account(s).

#### **1. STANDARD LIMITATIONS**

Our discretionary authority does not give authority to take or have possession of any assets in your account or to direct delivery of any securities or payment of any funds held in the account to our firm. Furthermore, our authority by agreement does not allow us to direct the disposition of such securities or funds to anyone except you-the account owner.



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

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### **1. PROXY VOTES**

MISSION CAPITAL will not vote nor advise clients how to vote proxies for securities held in client accounts. The client clearly keeps the authority and responsibility for the voting of these proxies. MISSION CAPITAL cannot give any advice or take any action with respect to the voting of these proxies.

### **2. CLASS ACTION LAWSUITS**

From time to time, securities held in client accounts will be the subject of class action lawsuits. MISSION CAPITAL has no obligation to determine if securities held by the client are subject to a pending or resolved class action lawsuit. It also has no duty to evaluate a client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, MISSION CAPITAL has no obligation or responsibility to initiate litigation to recover damages on behalf of clients who may have been injured as a result of actions, misconduct or negligence by corporate management of issuers whose securities are held by clients.

## **ITEM 18**                      **FINANCIAL INFORMATION**

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### **FINANCIAL CONDITION**

MISSION CAPITAL does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because MISSION CAPITAL does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$600 per client, six months or more in advance.

MISSION CAPITAL has not been the subject of a bankruptcy petition at any time during the last 10 years.