



Item 1 - Cover Page

MARKET CONCEPTS, LLC

FORM ADV – PART 2A INFORMATION
July 1, 2013

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This Brochure provides information about the qualifications and business practices of Market Concepts, LLC (“MCL”) (CRD No. 143848). If you have any questions about the contents of this Brochure, please contact us at (804) 503-0094. 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.

Additional information about MCL, including a copy of its Form ADV Part 1, is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 - Material Changes To This Brochure Since Its Last Annual Update

Prior to July 1, 2013, MCL was not required to file Part II of Form ADV. This is a new filing for the firm.

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Item 4 - Advisory Business

Market Concepts, LLC (“MCL”) is an investment adviser registered with the U.S. Securities and Exchange Commission (“SEC”). Individuals associated with MCL provide the advisory services on behalf of the firm. These individuals are appropriately licensed, qualified and authorized to provide advisory services on MCL’s behalf and are called Investment Adviser Representatives (“Representatives”). A majority of the membership interests in MCL are owned by Douglas Stewart and Joseph McDonald, each of which is also a Managing Member of the firm. MCL does not control any other firm. MCL serves as investment advisor to an open-end mutual fund company and also provides investment management services to a wide variety of other clients.

Investment Management for Open-end Mutual Funds

MCL serves as investment sub-advisor to the Dunham Alternative Strategy Fund. The investment strategies utilized to manage the fund are described in the fund's prospectus.

Investment Management for Private Client Accounts

Long-term investment performance, in large part, is primarily a function of asset class mix. Historically while interest-generating investments, such as bonds, have the advantage of relative stability of principal value, they provide little opportunity for real long-term capital growth due to their susceptibility to inflation. Passive indexing strategies and equity investments, such as common stocks, historically have had a higher expected return but have the disadvantage of much greater year-by-year variability of return. Alternative investment strategies which actively invest in bonds and equities (and other instruments) generally aim to generate a more return stream with less year-over-year variability compared to equities alone.

Utilizing traditional equity solutions along with a variety of alternative investment strategies together are expected to generate favorable results for investors.

List of Asset Classes/Strategies

1. Domestic Equity
2. Long/Short Equity
3. Merger Arbitrage
4. Market Neutral
5. Managed Futures

Strategic Rebalancing

MConcepts maintains a proprietary market grading system that reviews the conditions of the financial markets on a monthly basis. On the last trading day of each month, the grading system

assigns a grade (see diagram below) identify the condition to the markets. Based on the grade assigned, a specific allocation recommendation for an investor's portfolio.

The percentage allocation to each peer group may vary depending upon market conditions. Please reference the allocation table below for the lower and upper limits for each peer group.

When necessary and/or available, cash inflows/outflows will be deployed in a manner consistent with the strategic asset allocation and allocation ranges of the plan. If there are no cash flows, the allocation of the portfolio will be reviewed monthly.

Each Asset Class/Strategy is accessed utilizing an Exchange Traded Fund (ETF) or mutual fund that the advisor believes will best represent the asset class/strategy allocation for the investor. See the appendix below for more details.

Monitoring - Benchmarks

Performance benchmarks have been established for each investment option. Manager performance will be evaluated in terms of an appropriate market index (e.g. the S&P 500 stock index for large-cap domestic equity manager) and the relevant peer group .

Investment Category	Index Used in Model
Long/Short Equity	Dow Jones Long/Short Equity Index
Domestic Equity	S&P 500 Index
Merger Arbitrage	Dow Jones Merger Arbitrage Index
Market Neutral	Dow Jones Market Neutral Index
Managed Futures	Dow Jones Managed Futures Index

Monitoring - Measuring Costs

MCL will review at least annually all costs associated with the management of the portfolio, including:

1. Expense ratios of each ETF or mutual fund against the appropriate peer group.
2. Commission expenses charged by the custodian.
3. Investment advisory fees charged by the Investment Advisor (mConcepts)

As of June 20, 2013, MCL had assets of approximately \$25,600,000 under discretionary management and none under non-discretionary management.

Item 5 - Fees and Compensation

Fees paid to MCL are for MCL advisory services only. The fees do not include, for example, the fees charged by third parties such as third-party managers, or accountants and attorneys assisting with providing the client with accounting and legal advice. Commissions on transactions and other account fees will also be charged by brokerage firms in accordance with the account's brokerage firm's normal commission schedule. See Item 12, Brokerage Practices.

Prospective clients should be aware that in addition to MCL's advisory fees, each mutual fund in which a client's assets are invested also pays its own advisory fees and other internal expenses which already have been deducted from the fund's reported performance. Depending on the fund, a client may be able to invest directly in the shares issued by the fund with or without incurring any sales or third-party management fees. Account maintenance fees are also deducted by the custodian.

In addition, there are tax effects pertaining to fund share redemptions, and other sales, made by MCL on behalf of clients. Redemptions and sales are taxable events which may accelerate the recognition of capital gains, and losses, and frequent redemptions and sales may result in short-term, rather than long-term, capital gains and losses.

Fees are negotiated with each client on a case-by-case basis.

Item 6 - Performance Based Fees and Side-by-Side Management

MCL does not charge any performance-based fees. All fees are disclosed above.

Item 7 - Types of Clients/Minimum Account Size

MCL makes its advisory services available to a wide variety of clients including, but not limited to, individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

Although MCL does not generally have any conditions for providing its services, MCL Representatives may negotiate a base fee for all services.

Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

MCL's security analysis methods include, but are not limited to, fundamental analysis (evaluating securities based upon its historical and projected financial performance); and cyclical analysis (determining the desirability of an issue based upon the status of an issue within the price cycle the security or similar securities have followed historically) All securities analysis methods and strategies, even those used by MCL may involve a high degree of risk and losses can occur.

MCL's main sources of information include, but are not limited to, financial newspapers and magazines, research materials prepared by others, corporate rating services, annual reports, prospectuses, public filings and company press releases.

MCL does not guarantee the results of the advice given. Thus, significant losses can occur by investing in any security, or by following any strategy, including those recommended or applied by MCL.

MCL may recommend traditional exchange-traded funds ("ETF"). ETF shares are bought and sold at market price unlike mutual funds. ETFs are subject to risks similar to those of stocks.

Item 9 - Disciplinary Information

MCL does not have any disciplinary information to report regarding itself or any of its counselors or other related persons.

Item 10 - Other Financial Industry Activities and Affiliations

Most persons associated with MCL, including its Representatives, may also be registered as securities representatives of a licensed, full-service securities broker/dealer. MCL is not affiliated with any other financial services provider.

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

MCL has developed a Code of Ethics applicable to all persons who have access to confidential client records or to recommendations being made for client accounts. Designed to prevent conflicts of interest between the financial interests of clients and the interests of the firm's staff, the Code requires such "access persons": to obtain preapproval of certain securities transactions, to report transactions quarterly and to report all securities positions in which they have a beneficial interest at least annually. These reporting requirements allow supervisors at the firm to determine whether to allow or prohibit certain employee securities purchases and sales based on transactions made, or anticipated to be made, in the same securities for clients' accounts. The Code also establishes certain bookkeeping requirements relating to federal reporting rules. The Code is required to be reviewed annually and updated as necessary. A complete copy of the firm's Code is available upon request.

Item 12 - Brokerage Practices (Part 1- Retail Clients)

Although it generally does not exercise discretion to select brokerage firms, MCL Representatives typically recommends the transaction and/or custodial services of Scottrade ("Scottrade").

Clients should be aware that there is no direct link between MCL and Scottrade in connection with the advice MCL gives to clients. MCL receives economic benefits through the custody and operating relationships it has with Scottrade that are typically not available to Scottrade's retail investors. These benefits include the following products and services (provided without cost or at a discount): duplicate client statements and confirmations; research-related products and

tools; consulting services; access to a trading desk serving advisory representative participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees; and discounts or no fees on a compliance, marketing, research, technology, and practice management products or services provided to MCL by third-party vendors. Scottrade may also pay for business consulting and professional services received by MCL's affiliated persons and may also pay or reimburse expenses (including travel, lodging, meals, and entertainment expenses) for MCL's personnel to attend conferences or meetings relating to their service platforms or to their adviser custody and brokerage services generally. Some of these products and services made available by Scottrade may benefit MCL, but may not benefit its client accounts. Such other services made available by Scottrade are intended to help MCL manage and further develop its business enterprise, and such services do not depend on the amount of brokerage transactions directed to them.

Clients should be aware that the receipt of the economic benefits described above by MCL from Scottrade, in and of itself, creates a potential conflict of interest and may indirectly influence MCL's recommendation of Scottrade for custody and brokerage services."

MCL and its Representatives may be eligible for incentive awards from product sponsors, , which may affect product recommendations. Also, when certain mutual funds are included in client portfolios, Representatives giving advice may receive continuing, asset-based 12b-1 fees paid by the mutual funds. These fees are paid based on the value of the funds held in a portfolio. Thus, the Representatives have an incentive to recommend holding such positions since selling them will result in lower compensation to the Representatives

Other than the services described above, MCL and its Representatives do not direct transactions and the commissions they generate (soft dollars) to brokerage firms or other parties to receive research or other benefits.

MCL does not process transactions through Scottrade in return for Scottrade referring new clients to MCL.

MCL may combine similar client orders into one aggregate order for the purpose of obtaining an average price for all customers participating in the order.

Item 12 (Part 2 –Institutional Clients)

- Mr. McDonald is an officer of "MCL" and dedicates approximately 75% of his time to managing the day-to-day activities of the investment advisory company. The other 25% is dedicated to broker/dealer activities. Mr. McDonald serves as a registered representative to a non-affiliated broker dealer, B Riley & Co. LLC ("the broker/dealer"). "MCL" does not direct individual clients to B Riley & Co. LLC and does not transact any business on behalf of retail clients.
- "MCL" may recommend/require that institutional clients (mutual funds) establish brokerage accounts with a FINRA registered broker/dealer with whom an officer of "MCL" maintains a registered representative agreement ("broker/dealers") to for execution services. "MCL" acts as the sub-advisor to a mutual fund, allowing "MCL" to select the broker dealer company to be

utilized for the mutual fund. “MCL” is independently owned and operated and not affiliated with the broker/dealer of whom our officers’ registered representative agreements are maintained.

- The mutual fund of which “MCL” serves as the sub-advisor may transact business through the broker/dealer (B Riley) generating commissions for the Mr. McDonald (an officer of “MCL”) as a registered representative of the broker/dealer.
- Clients who obtain any service that may be provided by a firm in which an officer of “MCL” serves as a registered representative, should understand that there will always be an inherent risk and potential for a conflict of interest whenever the person(s) giving advice also recommend services of a related firm and will receive, directly or indirectly, further compensation from the client for those services.
- It remains an advisor's fiduciary duty to provide services to the client that are grounded solely in the client's own, best financial interests.
- The broker/dealer's products and services that assist “MCL” in managing and administering clients' accounts may include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders; (iii) provide pricing and other market data; (iv) assist with back-office functions, recordkeeping and client reporting and (v) assist with capital introduction efforts.
- The broker/dealer may also offer other services intended to help “MCL” manage and further develop its business enterprise. These services may include: (i) trading practices consulting; (ii) publications and conferences on practice management and business succession; and (iii) and business consulting.
- Commissions charged by the broker dealer may be higher or lower than commission rates charged by other available broker-dealers for similar services. Generally, commissions are competitive with market rates. When evaluating broker dealers for use in the management of the mutual fund (as a sub-advisor), “MCL” considers whether designating the use of the broker dealer may result in certain costs or disadvantages to the client (the fund), either because the client may pay higher commissions than might otherwise be obtainable from another broker-dealer, or receive less favorable net prices and executions of some transactions, or both.

Item 13 - Review of Accounts and Reports

Clients receiving investment advisory services receive reports at least quarterly from the account custodian and, more frequently, as determined in advance between the client and the client’s Representative. The client’s Portfolio is regularly reviewed by the MCL Representative in the frequency determined by the Representative and also reviewed by one or more supervisors at MCL to ensure the investments in the account are in line with the client’s stated investment objectives.

Item 14 - Client Referrals and Other Compensation

MCL does not currently have any client referral relationships. Thus, it does not pay any fee to a third party for making client referrals to it. Also, as indicated above, the firm does not direct brokerage transactions to any third party, including Service Providers, in return for client referrals.

Item 15 - Custody

MCL does not take custody of client funds or securities. These safekeeping services are typically provided to managed accounts only by the brokerage firm processing the securities transactions ordered by MCL.

To the extent a client receives any account or other investment ownership statement from MCL recommends the client carefully compare the information in the report to that in the custodian's statements.

Item 16 - Investment Discretion

When providing investment management services, MCL Representatives may exercise discretion when granted such authority by a client. When MCL has such authority, Representatives may select the kind of securities to buy and sell, the amount to buy and sell and, often, the commission rates paid without obtaining specific consent from the client for each trade. Clients should be aware that Representatives may make different recommendations with respect to the same types of securities or insurance products to different advisory clients. Commissions and executions for transactions implemented through Scottrade may not be better than commissions or executions available if the client used another brokerage firm. However, MCL believes that the overall level of services and support provided to clients by Scottrade outweighs the potentially lower costs, which may be available from other brokerage arrangements.

When exercising discretion, MCL may combine orders for more than one client's account to form a "block" order for the purpose of seeking a better price and execution. When a block order is executed, the broker/dealer executing the order typically allocates an average execution price to all shares in the block order, which MCL then allocates to each customer's position within the block on a pro rata basis. Should a block order only be partially filled, available shares are distributed in a manner fair to all accounts.

If a client directs MCL to effect transactions through a particular broker/dealer, MCL will do so. However, such an instruction may have implications to the client. The instruction may cause the client's account to incur transaction costs and commissions that may be higher/lower than if the instruction had not been given. Also, such a restriction may limit MCL's ability to bunch the client's order with those of other clients to process a block order through a single broker/dealer to obtain best price and/or execution. In addition, if MCL is effecting transactions in a security for clients by means of a block order, as well as an order in the same security, for a client who has directed MCL to use a particular broker/dealer, MCL will effect the block order immediately prior to effecting the directed brokerage trade. Thus, clients directing MCL to use a particular broker may not receive the same average price for securities bought or sold that would be received if the order was part of a block order.

Depending upon the services agreement, third-party managers used to manage client accounts may be hired or terminated by MCL, as it deems appropriate. Such managers also have authority to purchase and sell securities at their discretion.

Item 17 - Voting Client Securities

MCL and its Representatives vote proxies on behalf of clients who will receive such notices from their account's custodian.

MCL does not take any action on legal notices it or a client may receive from issuers of securities held in a client's managed account. However, it is available to answer questions regarding such notices.

Item 18 - Financial Information

MCL does not require or solicit fees of more than \$1,200 six months or more in advance, thus no financial statement for MCL is attached. MCL does not have any financial condition that is reasonably likely to impair its ability to meet its contracted commitment to any client.