

FULCRUM CAPITAL, LLC

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March 31, 2011

This Brochure provides information about the qualifications and business practices of Fulcrum Capital, LLC. If you have any questions about the contents of this Brochure, you may contact us at (206) 223-9790, or email info@fulcrumcapllc.com to obtain answers and additional information. Fulcrum Capital, LLC is a registered investment advisor with the Securities and Exchange Commission. Registration of an investment adviser does not imply any level of skill or training. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC).

Additional information about Fulcrum Capital, LLC is available on the SEC's website at www.Adviserinfo.sec.gov.

Item 2 – Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to Clients as required by SEC Rules. This Brochure, dated March 31, 2011, is a new document prepared according to the SEC’s new requirements and rules. As such, this document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide Clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

We will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary and will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Robert Kuehn or Darcy Johnson at (206) 223-9790, or by email to info@fulcrumcapllc.com.

FULCRUM CAPITAL, LLC
PART 2A OF FORM ADV – FIRM BROCHURE

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Item 4 – Advisory Business

- A** Fulcrum Capital, LLC (“Fulcrum” “we” “us” and “Advisor”) is a Seattle corporation registered as an investment advisor under the laws of the Securities and Exchange Commission. Our principal place of business is located in Seattle, Washington. Robert Kuehn and Darcy Johnson are Principals of Fulcrum Capital, LLC which was founded in 2007.
- B, C** We offer a wide range of investment advisory services to our Clients. Advice and services are tailored to the stated objectives of the Client(s). Generally, we have the authority to determine, without obtaining specific Client consent, the securities bought or sold and the amount of securities bought or sold and commission rates paid.
- D** We do not participate in any wrap fee programs.
- E** We manage \$130,837,278 of Client assets on a discretionary basis. This amount was calculated as of December 31, 2010.

Item 5 – Fees and Compensation

- A** We are a fee-only advisory firm, meaning we are compensated only by our Clients and do not receive compensation or commissions from any other parties. We believe this method of compensation minimizes conflicts of interest.

In consideration for our services, Clients pay us a fee monthly in arrears. The fee is equal to the agreed upon rate per annum, times the market value of the account, divided by 12 and prorated for the number of days in the month. The market value will be construed to equal the sum of the values of all assets in the account at month end, not adjusted by any margin debit.

Compensation for our services is calculated in accordance with “Schedule A” of the Investment Advisory Agreement (IAA”) entered into with each Client when we begin our professional relationship. The IAA may be amended from time to time by us upon 30-days prior written notice to Client.

STANDARD FEE SCHEDULE

Schedule A

<u>Cumulative</u> <u>Assets</u>	<u>Rate</u>	<u>Incremental</u> <u>Dollars</u>	<u>Incremental</u> <u>Fee</u>
\$500,000	1.2%	\$500,000	\$6,000
\$500,000	.90%	\$500,000	\$4,500
\$2,000,000	.75%	\$2,000,000	\$15,000
\$2,000,000	.50%	\$2,000,000	\$10,000
\$5,000,000	.45%	\$5,000,000	\$22,500
\$10,000,000	.40%	\$5,000,000	\$20,000
Over \$15m	.25%		

All security pricing is done by the custodian of Client accounts, Charles Schwab Institutional. Schwab uses various pricing services such as Reuters and Standard & Poor’s. For actively traded securities these services use the actual last reported sale price. For less actively traded securities such as bonds, these services will use the appropriate valuation methodology to determine the value of the security. Notwithstanding the above, our fees are generally negotiable.

- B** Our fees may be paid directly to us from the account by the custodian holding a Client’s assets upon submission of an invoice to the custodian showing the amount of fees, the value of the Client’s assets on which the fees are based, and the specific manner in which the fees are calculated. Payment of fees may result in the liquidation of Client’s securities if there is

insufficient cash in the account. Clients bear the responsibility for verifying the accuracy of fee calculations.

- C** In addition to our fee and any sub-advisor's fees, Clients may be required to pay a proportionate share of any mutual fund's fees and charges brokerage commissions, stock transfer fees, and other similar charges incurred in connection with transactions for their account. These fees are paid out of the assets in a Client's account and are in addition to the investment management fees paid to us.
- D** In the event the contract for services with a Client are terminated, Fulcrum will be compensated for work performed and the remaining fee, if any, is returned to the Client on a pro rata basis. Fees for partial months at the commencement or termination of this Agreement will be billed or refunded on a pro-rata basis contingent on the number of days the account was open during the month. Monthly fee adjustments for additional assets received into the account during a month or for partial withdrawals will also be provided on the above pro rata basis.
- E** We are a fee-only investment advisory firm paid on a percentage of Client assets managed or a flat fee. This means that no supervised person associated with us receives or accepts any compensation for the sale of securities or investment products.

Item 6 – Performance-Based Fees and Side-By-Side Management

We do not charge any performance-based fees for our services. Accordingly, this Item is not applicable to our firm.

Item 7 – Types of Clients

We provide investment advice to the following types of Clients:

- Corporations
- Individuals
- Trusts, Estates or Charitable Organizations

Because each Client is unique, we encourage involvement in the planning and processes involved in the management of their accounts. Such involvement does not have to be time consuming, however we want our Clients to remain informed and have a sense of security about their investments.

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

A We offer advice on investments primarily including (but not limited to) the following:

- Equity securities such as:
 - Exchange-listed securities
 - Securities traded over-the-counter
 - Foreign Issuer
- Corporate debt securities (other than commercial paper)
- Commercial Paper
- Certificates of deposit
- Municipal securities
- Exchange traded funds
- Investment company securities:
 - Mutual fund shares
- United States government securities
- Options contracts on securities
- Interests in Partnerships Investing in:
 - Real Estate
 - Oil and Gas Interests

Our primary investment strategies used to implement investment advice given to Clients include long-term (securities held at least one year) and short-term (securities sold within a year) purchases, trading (securities sold within 30 days), as well as covered call option strategies.

We research and analyze securities using fundamental and technical methods. The main sources of information we rely upon when researching and analyzing securities include research materials prepared by others, annual reports, prospectuses, and filings with the Securities and Exchange Commission.

B We use our best judgment and good faith efforts in rendering services to Clients. We cannot warrant or guarantee any particular level of account performance, or that the account will be profitable over time. Not every investment decision or recommendation made by us will be profitable. Clients assume all market risk involved in the investment of account assets under the Investment Advisory Agreement and understand that investment decisions made for their account are subject to various market, currency, economic, political and business risks.

Except as may otherwise be provided by the Advisers Act of 1940, or other applicable federal or state law, we are not liable to Clients for:

- Any loss that a Client may suffer by reason of any investment decision made or other action taken or omitted in good faith by us with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use;
- Any loss arising from our adherence to a Client's instructions; or
- Any act or failure to act by a custodian of a Client's account.

It is the responsibility of each Client to give us complete information and to notify us of any changes in financial circumstances or goals.

- C** While all investing involves risks and losses can and will occur, our advisory services generally recommend a broad and diversified allocation of equities, fixed income, ETFs and mutual funds thereby reducing specific risks associated with a concentrated or undiversified portfolio.

Item 9 – Disciplinary Information

We are required to disclose all material facts regarding any legal or disciplinary event that would be material to your evaluation of our firm, or the integrity of our management. We have no information to disclose applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

We do not participate in any other material activities and have no other financial industry affiliations to disclose.

**Item 11 – Code of Ethics, Participation or Interest in Client Transactions
& Personal Trading**

- A** Fulcrum discloses to Clients material conflicts of interest which could reasonably be expected to impair the rendering of unbiased and objective advice. Fulcrum has a Code of Ethics which all employees are required to follow. The Code of Ethics outlines proper conduct related to all services provided to Clients. Prompt reporting of internal violations is mandatory. Fulcrum's chief compliance officer regularly evaluates employee performance to ensure compliance with the code of ethics. A copy of the Code of Ethics is available to current or prospective Client upon request.
- B-D** Fulcrum or individuals associated with us may buy and sell some of the same securities for their own account that we buy and sell for our Clients. In all instances, where appropriate we purchase a security for all of its existing accounts for which the investment is appropriate before purchasing any of the securities for our own account and, likewise, when we determine that securities should be sold, where appropriate will cause these securities to be sold from all of our Client accounts prior to permitting the selling of the securities from our own account. In some cases we may buy or sell securities for our own account for reasons not related to the strategies adopted by our Clients.

When Fulcrum is newly engaged by a Client for whom it expects to recommend securities in which Fulcrum or one of our principals holds a position, we will notify the Client of our policies in respect to officers trading for their own account.

As stated above, we disclose to Clients material conflicts of interest relating to us, our representatives, or any of our employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

Item 12 – Brokerage Practices

A Although Clients may direct us to use a broker-dealer of their choosing, we generally recommend that Clients open brokerage accounts with Charles Schwab & Co., Inc. In recommending broker-dealers, we seek to obtain “best execution,” meaning that we seek to execute securities transactions for Clients so that the total costs or proceeds in each transaction are the most favorable under the circumstances. The factors we consider when evaluating for best execution include:

- Execution capability;
- Commission rate;
- Financial responsibility;
- Responsiveness;
- Custodian capabilities;
- The value of any research services/brokerage services provided; and
- Any other factors that we consider relevant.

However, if the Client selects the broker-dealer of their own choosing, we may be unable to seek best execution of your transactions, and your commission costs may be different than those of our recommended broker-dealers. In addition, we may place your transactions after we place transactions for Clients using our recommended broker-dealers.

Charles Schwab & Co. also provides us with the following products/services:

- *SchwabLink*, a product that allows us to communicate electronically with Schwab to download account information place and allocate trades, and submit advisory fees to Schwab.
- Research, which we may use to service all accounts, including accounts that do not execute trades with Schwab.
- Individual Clients may not benefit equally from products and services we receive from Schwab.

- B** We are authorized in our discretion to aggregate purchases and sales and other transactions made for the account with purchases and sales and other transactions in the same or similar securities or instruments for other Clients of ours. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and the account will be deemed to have purchased or sold its proportionate share of the securities or instruments involved at the average price so obtained. Confirmations of any transactions effected for a Client's account will be sent, in conformity with applicable law, to the Client.

Item 13 – Review of Accounts

- A** All Client accounts are reviewed by Advisor’s principals Robert Kuehn or Darcy Johnson on a regular basis. The frequency of reviews is determined by various factors, but no less frequently than annually.
- B** More frequent reviews may be triggered by a change in Client’s investment objectives, tax considerations, large deposits or withdrawals, large sales or purchases, or changes in the manager’s investment strategy.
- C** All Clients receive monthly statements from Schwab Institutional which acts as the custodian of their accounts. We may prepare separate reports at the time of Client meetings or periodically, depending on Client needs.

Item 14 – Client Referrals and Other Compensation

We have no arrangements, written or oral, in which we compensate others or are compensated for Client referrals.

Item 15 – Custody

Other than having the ability to deduct our fees from Client accounts, we do not have custody of the assets in Client accounts and shall have no liability to Clients for any loss or other harm to any property in their account, including any harm to any property in the account resulting from the insolvency of the custodian or any acts of the agents or employees of the custodian and whether or not the full amount of such loss is covered by the Securities Investor Protection Corporation (“SIPC”) or any other insurance which may be carried by the custodian. Clients understand that SIPC provides only limited protection for the loss of property held by a broker-dealer.

Item 16 – Investment Discretion

Our investment advisory agreement gives us discretionary authority to make investment decisions for your account, without obtaining your specific consent before each decision, with the following limitations:

- ❖ We must make investment decisions in accordance with investment objectives documented in the Client's Investment Policy Statement, or with any other written directions or preferences provided to us by each Client.
- ❖ We may aggregate Client orders, so long as it is done for purposes of achieving best execution, and so long as no Client is systematically advantaged or disadvantaged. Before aggregating Client orders, we document the participating accounts and the allocation instructions. Generally, we submit allocation instructions to the broker-dealer before the market closes on the day of the order. We allocate aggregated orders to Client accounts at the average price obtained. We allocate partially filled orders pro rata based on the size of the order placed by each account. If we judge that we cannot or should not allocate a partially filled order pro rata (e.g., if the quantity of securities obtained is too small or would not have a material impact if distributed among each account), then we apply the following procedures:
 - We allocate the order according to a system that results in a fair and equitable distribution of opportunities throughout the years;
 - We never include our personal trades with our Clients' trades; and
 - We document our allocation decision.

Item 17 – Voting Client Securities

Generally, we do vote proxies for Client accounts. However, Client's may retain the right to vote their own proxies.

We have established guidelines ("Guidelines") in our Proxy Voting Policies and Procedures in a manner generally intended to support the ability of management to run its business in a responsible and cost effective manner while staying focused on maximizing shareholder value. Generally we will vote proxies in accordance with management's recommendations. However, all proxy votes are ultimately cast on a case-by-case basis, taking into account relevant facts and circumstances at the time of the vote. For this reason, consistent with our fiduciary duty to ensure that proxies are voted in the best interest of our Clients, we may from time to time vote proxies against management's recommendations, in accordance with our Guidelines.

Where a proxy proposal raises a material conflict between us and a Client's interest, we will resolve the conflict as follows:

1. Vote in Accordance with the Guidelines. To the extent that we have little or no discretion to deviate from the Guidelines with respect to the proposal in question, we will vote in accordance with the pre-determined voting policy.
2. Obtain Consent of Clients. To the extent that we have discretion to deviate from the Guidelines with respect to a proposal in question, we will disclose the conflict to the relevant Clients and obtain their consent to the proposed vote prior to voting the securities. The disclosure to the Client will include sufficient detail regarding the matter to be voted on and the nature of the conflict so that the Client can make an informed decision regarding the vote. If a Client does not respond to such a conflict disclosure request or denies the request, we will abstain from voting the securities held by the Client's account.

We will review the proxy proposal for conflicts of interest as part of the overall vote review process. Any material conflict of interest identified by us will be addressed as described above.

If we determine that it is in the Client's best interest, we will not vote proxies received. The following are certain circumstances where we will limit our role in voting proxies:

1. Client Maintains Proxy Voting Authority: Where a Client specifies in writing that it will maintain the authority to vote proxies itself or that it has delegated the right to vote proxies to a third party, we will not vote the securities and will direct the relevant custodian to send the proxy material directly to the Client. If any proxy material is received by us, it will promptly be forwarded to the Client or specified third party.
2. Terminated Account: Once a Client account has been terminated with us in accordance with the investment advisory agreement, we will not vote any proxies received after the

termination. However, the Client may specify in writing that proxies should be directed to the Client (or a specified third party) for action.

3. Limited Value: If we determine that the value of a Client's economic interest or the value of the portfolio holding is indeterminable or insignificant, we may abstain from voting a Client's proxies. We also will not vote proxies received for securities which are no longer held by the Client's account.

We will maintain for the time periods set forth in the Rule (currently 5 years; 2 of which shall be in our office):

- (i) Proxy voting procedures and policies, and all amendments;
- (ii) A record of all proxy statements received by us regarding Client securities (provided however, that we may rely on the proxy statement filed on EDGAR as our records);
- (iii) A record of all votes cast on behalf of Clients;
- (iv) Records of all Client requests for proxy voting information;
- (v) Any documents prepared by us which were material to making a decision how to vote or that memorialized the basis for the decision; and
- (vi) All records relating to requests made to Clients regarding conflicts of interest in voting the proxy.

Clients may obtain information on how proxies were voted with respect to the Clients' portfolio securities or a copy of our Policies and Procedures.

Item 18 – Financial Information

- A** Under no circumstances will Fulcrum Capital solicit or require prepayment of more than \$1,200, six months or more in advance, from any Client for advisory services.
- B** As noted in Item 15 above, other than having the ability to deduct fees from Client accounts, we do not have custody of Client's funds. We do manage Client assets on a discretionary basis, however, we have no financial commitments which would impair our ability to meet the contractual and fiduciary commitments to our Clients.
- C** We have never been the subject of any bankruptcy proceedings.

ROBERT C. KUEHN, CFA

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March 31, 2011

This brochure supplement provides information about Robert C. Kuehn, CFA, Chief Compliance Officer of Fulcrum Capital, LLC.

We require any supervised person involved in the practice of giving investment advice or consulting to clients to have at a minimum, a bachelor degree from an accredited university. These persons must also pass appropriate licensing examinations and are strongly encouraged to seek continuing education opportunities available in the industry, including appropriate certifications or designations.

Item 2 – Educational Background and Business Experience

Robert C. Kuehn, CFA

Year of Birth: 1945

EDUCATION

Masters of Business Administration, Finance, Utah State University, 1969

Bachelor of Arts, Economics, Utah State University, 1967

BUSINESS

2007 - Present	Chief Compliance Officer, Fulcrum Capital, LLC
2006 - 2007	Chief Investment Officer, KeyBank
2003 - 2007	Chief Investment Officer, EverTrust Asset Management
2001 - 2002	Founder & Managing Director, EverTrust Asset Management
1996 - 2001	Vice President & Managing Director, Seafirst Investment Councilors
1985 - 1986	Vice President & Manager, Seattle First National Bank
1982 - 1985	Senior Portfolio Manager, Seattle First National Bank
1976 - 1985	Vice President & Manager, Olympic Bank
1974 - 1976	Adjunct Professor, Fairleigh Dickinson University
1969 - 1976	Assistant Vice President, American National Bank

Item 3 – Disciplinary Information

Robert C. Kuehn, CFA, has not been subject to any legal or disciplinary proceedings which would be considered material (or otherwise) to a Client's evaluation of him or any of the services Fulcrum Capital, LLC provides.

Item 4 – Other Business Activities

Robert C. Kuehn, CFA, is not involved in any other investment related business activity other than through Fulcrum Capital, LLC.

Item 5 – Additional Compensation

Robert C. Kuehn, CFA, does not receive additional compensation or economic benefit for providing advisory services.

Item 6 – Supervision

Robert C. Kuehn, CFA, is jointly responsible for supervising the services and advice provided to clients of Fulcrum Capital, LLC. Along with Ms. Johnson, he prepares investment policies, forms and procedures for working with clients and for managing the firm.

DARCY B. JOHNSON

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March 31, 2011

This brochure supplement provides information about Darcy B. Johnson, Principal of Fulcrum Capital, LLC.

We require any supervised person involved in the practice of giving investment advice or consulting to clients to have at a minimum, a bachelor degree from an accredited university. These persons must also pass appropriate licensing examinations and are strongly encouraged to seek continuing education opportunities available in the industry, including appropriate certifications or designations.

Item 2 – Educational Background and Business Experience

Darcy B. Johnson

Year of Birth: 1954

EDUCATION

Master of Business Administration, Finance, Pacific Lutheran University, 1980

Bachelor of Business Administration, Marketing Concentration, Pacific Lutheran University, 1977

BUSINESS

2007 to Present	Principal, Fulcrum Capital, LLC
2001 - 2007	Principal, EverTrust Asset Management
1999 - 2001	Portfolio Manager, Seafirst Investment Councilors
1997 - 1999	Portfolio Manager, Wells Fargo Institutional Trust
1996 - 1997	Investment Consulting Analyst, Mercer Investment Consulting
1990 - 1995	Investment Research - Freelance, DBJ Investment Consulting
1985 - 1988	Portfolio Manager, Seafirst Bank
1980 - 1983	Investment Analyst, Beard, Bench & Mendenhall

Item 3 – Disciplinary Information

Darcy B. Johnson has never been subject to any legal or disciplinary proceedings which would be considered material (or otherwise) to a Client's evaluation of her or any of the services Fulcrum Capital, LLC provides.

Item 4 – Other Business Activities

Darcy B. Johnson is not involved in any other investment related business activity or occupation other than through Fulcrum Capital, LLC.

Item 5 – Additional Compensation

Darcy B. Johnson does not receive additional compensation or economic benefit for providing advisory services.

Item 6 – Supervision

Darcy B. Johnson is jointly responsible for supervising the services and advice provided to clients of Fulcrum Capital, LLC. Along with Mr. Kuehn, she prepares investment policies, forms and procedures for working with clients and for managing the firm.