



7373 EAST DOUBLETREE RANCH ROAD

SUITE B-155

SCOTTSDALE, AZ 85258

480-471-5456

[www.richgoldmanassetmanagement.com](http://www.richgoldmanassetmanagement.com)

January 20, 2012

This Brochure provides information about the qualifications and business practices of Rich Goldman Asset Management. If you have any questions about the contents of this Brochure, please contact us at 480-471-5456. The information in this Brochure has not been approved or verified by any state securities authority.

Rich Goldman Asset Management is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with the information about which you determine to hire or retain an Adviser.

Additional information about Rich Goldman Asset Management also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes

The Securities and Exchange Commission (SEC) recently proposed a number of new rules and rule amendments to implement changes to the Investment Advisers Act of 1940 contained in the Dodd-Frank Wall Street Reform and Consumer Protection Act. The new and amended rules focus primarily on registration thresholds and reporting requirements, including when advisers with less than \$100 million in assets under management must switch their registration between the SEC and one or more states.

Under the new rule 203A-5 which requires all advisers registered with the SEC to file an amended form ADV I and II by March 30, 2012, Rich Goldman Asset Management will be switching from SEC registration to Arizona state registration.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you will 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.

We 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 Shanna Blanchette, Chief Compliance Officer at 480-471-5453 or [shanna@richgoldmanassetmanagement.com](mailto:shanna@richgoldmanassetmanagement.com). Our Brochure is also available on our website [www.richgoldmanassetmanagement.com](http://www.richgoldmanassetmanagement.com), also free of charge.

Additional information about Rich Goldman Asset Management is also available via the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website also provides information about any persons affiliated with Rich Goldman Asset Management who are registered, or are required to be registered, as investment adviser representatives of Rich Goldman Asset Management.

## Table of Contents

Item 2 – Material Changes .....	ii
Item 4 – Advisory Business .....	1
Item 5 – Fees and Compensation .....	1
Item 6 – Performance-Based Fees and Side-By-Side Management .....	2
Item 7 – Types of Clients .....	2
Item 8 – Method of Analysis, Investment Strategies and Risk of Loss .....	2
Item 9 – Disciplinary Information .....	4
Item 10 – Other Financial Industry Activities and Affiliations .....	4
Item 11 – Code of Ethics .....	4
Item 12 – Brokerage Practices .....	6
Item 13 – Review of Accounts.....	7
Item 14 – Client Referrals and Other Compensation.....	7
Item 15 – Custody .....	8
Item 16 – Investment Discretion .....	8
Item 17 – Voting Clients Securities .....	8
Item 18 – Financial Information.....	8

## **Item 4 – Advisory Business**

Rich Goldman Asset Management, LLC is solely owned by the managing member, Rich Goldman. Rich Goldman Asset Management is an Arizona registered investment advisor which began in August of 2008. Rich Goldman Asset Management specializes in total return strategies that are primarily equity based. Where appropriate, Rich Goldman Asset Management will use hedging techniques to minimize market risk and volatility. Rich Goldman Asset Management's portfolios are constructed to provide a combination of growth, income and safety. Rich Goldman Asset Management handles accounts for individuals on both a discretionary and a non-discretionary basis which allows clients to place restrictions on the types of investments they own. As of January 20, 2012 the regulatory assets under management (RAUM) for Rich Goldman Asset Management is \$78,000,000.

## **Item 5 – Fees and Compensation**

The Investment Advisory contract executed by clients and Rich Goldman Asset Management has no expiration date and can be terminated with written notice by either Rich Goldman Asset Management or Client and is effective immediately. If the contract is terminated at a time between monthly billing dates, Rich Goldman Asset Management shall be entitled to payment of a portion of the monthly billing fee, equal to such monthly fee multiplied by the ratio which the number of days past in the month as of the termination date bears to the number of days in the month. Over-payments of management fees, if any, will be promptly returned to the Client. In special circumstances, as in a situation where Rich Goldman Asset Management is in competition with another firm's fee schedule or if an account size warrants a discount, some fees may be negotiated at levels less than the stated annual advisory fee of 3% to .25%. The following is the fee schedule:

Under \$250,000	3.0%	\$500,000-\$2 Million	1.5%
\$250,000- \$500,000	2.0%	Over \$2 Million	1.0%

Based on prior written authorization, the Client's fee shall be paid monthly in arrears by the Custodian out of the income or assets held in the Client's account. A Client, with written notice, can elect to pay the fee directly to Rich Goldman Asset Management. The monthly fee will be due immediately upon Client's receipt of the billing invoice, which is sent directly from Rich Goldman Asset Management.

Rich Goldman Asset Management's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the Client. Clients may incur certain charges imposed by Custodians, Brokers, third party investments and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Rich Goldman Asset Management's fee, and Rich Goldman Asset Management shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that Rich Goldman Asset Management considers in selecting or recommending broker-dealers for Client transactions and determining the reasonableness of their compensation (e.g., commission).

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

Rich Goldman Asset Management does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

## **Item 7 – Types of Clients**

Rich Goldman Asset Management provides portfolio management services to individuals, high net worth individuals, trusts, and retirement plans. There are no requirements for opening or maintaining an account, such as a minimum account size.

## **Item 8 – Method of Analysis, Investment Strategies and Risk of Loss**

Rich Goldman Asset Management's approach to investing is a total return strategy, consistent with client investment objectives. This will be implemented by creating a portfolio that may include both bond and stocks and Exchange Traded Funds, the ratio of which will vary in accordance with what Rich Goldman Asset Management's research shows is the probable outlook for the United States and global economies. Rich Goldman Asset Management's bond segment will be composed of securities of good credit quality and varying maturities, with an emphasis on safety first and income

second. Rich Goldman Asset Management's stock portion will seek attractively valued issues with appreciation potential. Rich Goldman Asset Management has a predisposition but not a requirement to buy companies that pay dividends. Where appropriate, Rich Goldman Asset Management may use hedging strategies to protect downside and enhance upside in client portfolios.

Rich Goldman Asset Management will employ an overlay strategy using the sale of covered call options to enhance income and effectively reduce downside risk. Selling out of the money calls for short timeframes invariably adds to return since it has been estimated that historically 85%-90% of these option contracts expire unexercised. These trades can work out any of three ways: a) if the stock trades higher than the call option price, also known as the strike price, you normally can buy back the option contract at any time before expiration and effectively pocket a large percentage of the original premium while continuing to own the stock. You may choose to do nothing and allow your stock to be called away at the strike price in which case you keep the option premium and pocket the difference between the stock purchase price and the strike price. b) If the stock trades sideways, you keep the option premium as a profit while continuing to own the shares, or c) if the stock trades down, the call premium can absorb some or all of the loss. You can repeat these transactions over multiple option expiration cycles. Rich Goldman Asset Management believes that the sales of out of the money calls have significant market conditions because volatility has created high levels of option premium.

An additional strategy that can be used at any time is called "put option selling". In spite of the "put" in its description, it is a bullish strategy unlike "put buying" which is a bearish strategy. This is because it gives you an opportunity not only to buy stocks identified as attractive at prices lower than where they are currently selling but also puts cash into your account immediately. Should the stock price never reach the strike price, you still keep the premium and can repeat the transaction for another option cycle.

Regarding the use of hedging, Rich Goldman Asset Management may use option strategies to create defined risk levels, create attractive income enhancement opportunities, and also develop attractive price entry points for specific securities Rich Goldman Asset Management likes, but wish to purchase at below market prices. Additionally, Rich Goldman Asset Management can use option strategies to create risk defined fixed income alternatives. As is always the case, suitability and client objectives determine how or if such strategies should be used.

Rich Goldman Asset Management provides a hands-on, tactical strategy utilizing a number of investment tools that enhance the possibilities of achieving superior investment results. Currently, Rich Goldman Asset Management favors a hard assets investment strategy in energy, natural resources, agricultural commodities, precious

metals and other strategic assets that should benefit from progressively higher inflation as the billions of dollars recently issued work their way through the economy. Given the extraordinarily volatile nature of the current market, it is premature to set firm percentage allocations among these sectors; however overall, Rich Goldman Asset Management will seek a balance between income and growth objectives while working to optimize both.

## **Item 9 – Disciplinary Information**

Registered Investment Advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Rich Goldman Asset Management or the integrity of Rich Goldman Asset Management's management. Rich Goldman Asset Management has no information applicable to this Item.

## **Item 10 – Other Financial Industry Activities and Affiliations**

Rich Goldman Asset Management's associated persons currently have no other financial industry activities and or affiliations.

## **Item 11 – Code of Ethics**

Rich Goldman Asset Management has adopted a Code of Ethics for all officers and employees of the firm describing its high standard of business conduct and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, personal securities trading procedures, restrictions on the acceptance of significant gifts, among other things. All officers and employees at Rich Goldman Asset Management must acknowledge in writing, the terms of the Code of Ethics annually, or as emended.

Rich Goldman Asset Management anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Rich Goldman Asset Management has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Rich Goldman Asset Management, and /or clients, directly or indirectly, have a position of interest. Rich Goldman Asset Management's employees and persons associated with Rich Goldman Asset Management are required to follow Rich Goldman Asset Management's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Rich Goldman Asset Management may trade for their own accounts in securities which are recommended to and/or purchased for Rich Goldman Asset Management's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Rich Goldman Asset Management will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of Rich Goldman Asset Management's clients. In addition, the Code requires pre-clearance of any transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Rich Goldman Asset Management and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Rich Goldman Asset Management's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Rich Goldman Asset Management will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis.

Rich Goldman Asset Management's clients or prospective clients may, at any time, request a copy of the firm's Code of Ethics by contacting Shanna Blanchette.

It is Rich Goldman Asset Management's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Rich Goldman Asset Management will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any



security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any other person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

## **Item 12 – Brokerage Practices**

Upon receiving written authorization from the client, Rich Goldman Asset Management provides discretionary investment advisory services for client accounts. When discretionary authority is granted, it is limited in that Rich Goldman Asset Management will only be given discretionary trading authority. This authority will allow Rich Goldman Asset Management to determine the type of securities and the amount of securities that can be bought or sold for the client portfolio without obtaining the client's consent for each transaction. Rich Goldman Asset Management will not have access to client funds and/or securities with the exception of having advisory fees deducted from the client's account and paid to Rich Goldman Asset Management by the account custodian. Any fee deduction will be done pursuant to the client's prior written authorization provided to the account custodian.

Clients are not obligated to implement any recommendations through Rich Goldman Asset Management or its associated persons and are free to select any broker/dealer they wish in order to implement recommendations. If clients elect to utilize Rich Goldman Asset Management's management services, Rich Goldman Asset Management recommends that they establish accounts at Fidelity Investments, Inc. To help fulfill its duty of best execution, Rich Goldman Asset Management recommends Fidelity Investments, Inc. due to its reasonable brokerage fees, execution capabilities, expertise and reputation. However, clients may select another qualified custodian. Rich Goldman Asset Management also has a relationship with TD Ameritrade. The selected custodian executes clients' investment transactions and provides them with trade confirmations and account statements. While Rich Goldman Asset Management believes Fidelity Investment, Inc.'s commissions and brokerage fees are reasonable, clients selecting another custodian may pay higher or lower commission rates and transaction costs than if they implemented transactions through Fidelity.

If clients elect to use a qualified custodian other than Fidelity Investments, Inc., they may receive less favorable prices than would otherwise be the case if they had not selected the designated custodian.

Rich Goldman Asset Management may elect to purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading, or block trading and may be used by Rich Goldman Asset Management when it believes such action may prove advantageous to clients. If and when Rich Goldman Asset Management aggregates client orders, the allocation of securities among client accounts will be done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently.

Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. If and when Rich Goldman Asset Management determines to aggregate client orders for the purchase or sale of securities, including securities in which the associated persons may invest, Rich Goldman Asset Management will do so in accordance with the parameters set forth in the SEC No-Action Letter, SMC Capital, Inc. Neither Rich Goldman Asset Management nor its associated persons will receive any additional compensation or remuneration as a result of block trades.

### **Item 13 – Review of Accounts**

Client portfolios will be monitored at least quarterly by Richard Goldman, who functions as Portfolio Manager. As Rich Goldman Asset Management grows in assets under management, Rich Goldman Asset management may add additional Portfolio Managers. Rich Goldman Asset Management on a daily basis will apply rigorous fundamental and technical analysis in its review of overall asset allocation and individual security selection to determine trigger levels for buy and sell decisions. Richard Goldman serves as Rich Goldman Asset Management's Chief Investment Officer and will be active in all phases of the research & decision making process.

Clients will receive account statements from their qualified custodian at least quarterly, if not monthly. Rich Goldman Asset Management does not provide any additional statements or reports to clients.

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

Rich Goldman Asset Management does not currently have any solicitor arrangements.

## **Item 15 – Custody**

All matters of Custody are handled by the custodian, Fidelity Investments, Inc. or TD Ameritrade.

## **Item 16 – Investment Discretion**

Upon receiving written authorization from the client, Rich Goldman Asset Management provides discretionary investment advisory services for client accounts. When discretionary authority is granted, it is limited in that Rich Goldman Asset Management will only be given discretionary trading authority. This authority will allow Rich Goldman Asset Management to determine the type of securities and the amount of securities that can be bought or sold for the client portfolio without obtaining the client's consent for each transaction. Rich Goldman Asset Management will not have access to client funds and/or securities with the exception of having advisory fees deducted from the client's account and paid to Rich Goldman Asset Management by the account custodian. Any fee deduction will be done pursuant to the client's prior written authorization provided to the account custodian.

## **Item 17 – Voting Clients Securities**

As a matter of firm policy and practice, Rich Goldman Asset Management does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios'.

## **Item 18 – Financial Information**

Registered Investment Advisers are required in this Item to provide you with certain financial information or disclosures and Rich Goldman Asset Management's financial condition. Rich Goldman Asset Management has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.