

Item 1 Cover Page

HARBOR CAPITAL ADVISORY SERVICES, INC.
10 East Church Street
Fairport, NY 14450

March 21, 2011

This brochure provides information about the qualifications and business practices of Harbor Capital Advisory Services, Inc. If you have any questions about the contents of this brochure, please contact us at (585) 425-4090. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Harbor Capital Advisory Services, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Material Changes

This is a new brochure.

The material changes discussed above are only those changes that have been made to this brochure since the firm's last annual update of the brochure. The date of the last annual update of the brochure was: March 21, 2011.

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Brochure

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Item 4 Advisory Business

A. Describe your advisory firm, including how long it has been in business. Identify your principal owner(s).

Harbor Capital Advisory Services, Inc. is a registered investment advisor firm registered with the Securities and Exchange Commission (SEC) securities regulators as of October 16, 2009.

The Principal Owner(s) of Harbor Capital Advisory Services, Inc. are:

Frank A. Monte, Chief Executive Officer

Jeremy T. Monte, Chief Operations Officer and Chief Compliance Officer

Item 4 Advisory Business (continued)

B. Describe the types of advisory services the firm offers. If the firm holds itself out as specializing in a particular type of advisory service, explain the nature of that service in detail. If the firm provides investment advice only with respect to limited types of investments, explain the type of investment advice firm offers and disclose that the advice is limited to those types of investments.

Harbor Capital Advisory Services, Inc. (hereinafter “HCAS” or the “Firm”) offers personalized investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities. The Firm’s services and fee arrangements are described in the following pages.

HCAS is a corporation formed under the laws of the State of New York. This Brochure narrative provides Clients with information regarding HCAS and the qualifications, business practices, and nature of advisory services that should be considered before becoming an advisory Client of HCAS.

Please contact Frank A. Monte, CEO, if you have any questions about this Brochure narrative. Additional information about HCAS is available on the Internet at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for HCAS is 146693.

Individuals associated with HCAS will provide its investment advisory services. Such individuals are known as Investment Adviser Representatives (IARs).

IARs of HCAS are registered representatives of American Portfolios Financial Services, Inc. (CRD# 18487) (“APFS”), a full-service securities broker/dealer and investment adviser registered under federal and state securities laws, located in Holbrook, NY. APFS is a member of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investors Protection Corporation (“SIPC”). Securities transactions for APFS’ brokerage Clients are executed through Pershing, LLC, member FINRA, NYSE, SIPC.

FINANCIAL PLANNING SERVICES

HCAS engages in broad-based, modular, and consultative financial planning services. Broad-based financial planning advice will typically involve providing a variety of services, principally advisory in nature, to Clients regarding the management of their financial resources based upon an analysis of their individual needs. An IAR of HCAS will first conduct a complimentary initial consultation. After the initial consultation, if the Client decides to engage HCAS for financial planning services, an IAR will conduct follow up meetings as necessary, during which pertinent information about the Client’s financial circumstances and objectives is collected. Once such information has been reviewed and analyzed, a written or oral financial plan – designed to achieve the Clients’ stated financial goals and objectives – will be produced and presented to the Client. For Clients requiring advice on a single aspect of the management of their financial resources, HCAS offers financial plans in a modular and/or consultative format that address only those specific areas of interest or concern.

Financial plans are based on the Client's financial situation at the time the plan is presented and are based on financial information disclosed by the Client to HCAS. Clients are advised that certain assumptions may be made with respect to interest and inflation rates and use of past trends and performance of the market and economy. Past performance is in no way an indication of future performance. HCAS cannot offer any guarantees or promises that the Client's financial goals and objectives will be met. As the Client's financial situation, goals, objectives, or needs change, the Client must notify HCAS promptly. In limited circumstances, some Clients may only require advice on a single aspect of the management of their financial resources. For these Clients, HCAS offers financial plans in a modular format and/or general consulting services that address only those specific areas of interest or concern.

HCAS charges a fixed fee ranging from \$1,000 - \$10,000 for broad-based financial planning services, depending on the scope and complexity of the plan, the Client's situation, and the Client's objectives. For modular and/or consultative financial planning services, HCAS charges an hourly fee of \$200. An estimate of the total time/cost will be determined at the start of the advisory relationship. In *limited circumstances*, the time/cost could potentially exceed the initial estimate. In such cases, the Firm will notify the Client and may request that the Client approve the additional fee. Generally, an initial payment of 50% of the estimated time/cost will be required at the start of the advisory relationship and the balance will be due upon completion of the contracted services. However, for hourly modular or consulting services, the fee will typically be payable upon completion of the consultation. In HCAS's sole discretion, HCAS may waive or lower financial planning fees where the Client has engaged HCAS for other advisory services.

Clients may act on HCAS's recommendations by placing securities transactions with any brokerage firm the Client chooses. The Client is under no obligation to act on HCAS's financial planning recommendations. Moreover, if the Client elects to act on any of the recommendations, the Client is under no obligation to implement the financial plan through HCAS.

INVESTMENT MANAGEMENT

HCAS practices custom management of portfolios in two distinct programs, the HCAS Advisory Account Program – Discretionary, and HCAS Advisory Account Program – Non-Discretionary, according to the client's objectives. The Advisor's primary approach is to use a tactical allocation strategy aimed at reducing risk and increasing performance. The Advisor uses exchange listed securities, over-the-counter securities, foreign securities, corporate debt securities, CDs, variable life insurance, variable annuities, municipal securities, mutual funds, ETFs, United States government securities, options in securities, and interests in real estate and oil and gas interests to accomplish this objective. The Advisor measures and selects mutual funds by using various criteria, such as the fund manager's tenure, and/or overall career performance. The Advisor may recommend, on occasion, redistributing investment allocations to diversify the portfolio in an effort to reduce risk and increase performance. The Advisor may recommend specific stocks and ETFs to increase sector weighting and/or dividend potential. The Advisor may recommend employing cash positions as a possible hedge against market movement which may adversely affect the portfolio. The Advisor may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or

overweighting of the position(s) in the portfolio, change in risk tolerance of client, or any risk deemed unacceptable for the client's risk tolerance.

The minimum account size will be \$25,000, and the minimum net worth of the investors shall be \$150,000. The firm may make exceptions to these minimums on a case by case basis.

The annual fee for discretionary and non-discretionary portfolio management services is billed quarterly either in advance or arrears based on the asset value on the last day of the quarter depending on the choice of custodian. Fees will be assessed pro-rata in the event the portfolio management agreement is executed at any time other than the first day of a calendar quarter. The annualized fee for portfolio management services, subject to negotiation are as follows:

<u>Assets Under Management</u>	<u>Annualized Fee</u>
First \$250,000	2.50%
Next \$250,000	2.25%
Next \$500,000	2.00%
Next \$1,000,000	1.75%
Next \$1,000,000	1.50%
Amounts over \$3,000,000	1.25%

At its discretion, HCAS may allow accounts of members of the same household to be aggregated for purposes of determining the advisory fee. HCAS may allow such aggregation, for example, where HCAS services accounts on behalf of minor children of current Clients, individual and joint accounts for a spouse, and other types of related accounts. This consolidation practice is designed to allow Clients the benefit of an increased asset total, which could potentially cause the accounts to be assessed a reduced advisory fee based on the breakpoints available in HCAS's fee schedule as stated above.

Payment of portfolio management fees will be made directly from the Client account by the custodian provided that the following requirements are met:

- The Client provides written authorization permitting the fees to be paid directly from the Client's account held by the custodian. The Firm does not have access to Client funds for payment of fees without Client consent in writing. Under certain circumstances and upon request by the client, a direct bill/invoice will be sent to the client.
- The custodian agrees to provide the Client a statement, at least quarterly, indicating all amounts dispersed from the account including the amount of the advisory fee paid directly to the Firm.

Portfolio Management fees and services are separate and distinct from Financial Planning fees and services.

Clients may request to terminate their advisory contract, whether fixed fee, hourly, or percentage of assets under management with HCAS, in whole or in part, by providing advance written notice. Upon termination, any fees paid in advance will be prorated to the date of termination and any excess will be refunded to client. Client's advisory agreement with the Advisor is non-transferable without Client's written approval.

PENSION CONSULTING SERVICES

HCAS will provide pension-consulting services to employee benefit plans and their fiduciaries based upon an analysis of the needs of the plan. In general, these services may include an existing plan review, asset allocation advice, money management services, communication and education services where HCAS will assist the plan sponsor in providing meaningful information regarding the retirement plan to its participants, investment performance monitoring, and/or ongoing consulting. The Adviser may have agreements with third party administrators (“TPA”) to provide these services as part of the TPA’s agreement with the plan.

In these instances, the TPA may pay a portion of the fee charged to the plan to HCAS for their services. In other instances, the Adviser may be introduced to a plan through a TPA and will provide service directly to the plan.

HCAS will hold educational meetings for plan sponsors and employees and will offer one or more of the following education services: seminars; web education; periodic plan reviews; one on one participant meetings; annual plan sponsor due diligence meetings. They can also meet with individual plan participants and offer personalized information based on their individual objectives.

The compensation arrangement for these services will be based on the same provisions as disclosed above in the investment management section of this document. The type and amount of the fees charged to the Client, subject to negotiation, will be based on the scope and complexity of the qualified plan and the requested services. An estimate of the total cost will be determined at the start of the advisory relationship. HCAS will bill fees for pension consulting services either monthly or quarterly, in advance or in arrears as negotiated in the Client agreement. Under no circumstance will the Adviser require prepayment of a fee more than six months in advance and in excess of \$1,200.

All Client accounts are regulated under the Employee Retirement Income Securities Act (“ERISA”). HCAS will provide consulting services to the plan fiduciaries as described above. Typically, the named plan fiduciary must make the ultimate decision as to retaining the services of such investment advisers as HCAS recommends. The plan fiduciary is free to seek independent advice about the appropriateness of any recommended services for the plan.

General Information on Advisory Services and Fees

The fees charged are calculated as described above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds, or any portion of the funds of an advisory Client.

HCAS does not represent, warrant, or imply that the services or methods of analysis employed by the Firm can or will predict future results, successfully identify market tops or bottoms, or insulate Clients from losses due to market corrections or declines.

HCAS shall never have custody of any Client funds or securities, as the services of a qualified and independent custodian will be used for these asset management services.

Advice offered by HCAS may involve investment in mutual funds. Clients are hereby advised that all fees paid to HCAS for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. Further, there may be transaction charges involved with purchasing or selling of securities. HCAS does not share in any portion of the brokerage fees/transaction charges imposed by the custodian holding the Client funds or securities. The Client should review all fees charged by mutual funds, HCAS, and others to fully understand the total amount of fees to be paid by the Client.

C. Explain whether (and, if so, how) the firm tailors advisory services to the individual needs of clients. Explain whether clients may impose restrictions on investing in certain securities or types of securities.

HCAS will tailor its advisory services to its client's individual needs based on meetings and completion of a client profile. If clients wish to impose certain restrictions on investing in certain securities or types of securities, the Advisor will address those restrictions with the client to have a clear understanding of the client's requirements.

D. If the firm participates in wrap fee programs by providing portfolio management services, (1) describe the differences, if any, between how the firm manages wrap fee accounts and how it manages other accounts, and (2) explain that the firm receives a portion of the wrap fee for its services.

HCAS does not provide portfolio management services to wrap fee programs.

E. If the firm manages client assets, disclose the amount of client assets it manages on a discretionary basis and the amount of client assets on a non-discretionary basis. Disclose the date "as of" which it calculated the amounts.

HCAS manages client assets and as of December 31, 2010 has the following assets under management:

Discretionary assets:	\$43,325,071
Non discretionary assets:	\$54,044,237

Item 5 Fees and Compensation

A. & B. Describe how the firm is compensated for its advisory services. Provide the fee schedule. Disclose whether the fees are negotiable. Describe whether the firm deducts fees from clients' assets or bills client for fees incurred. Explain how often firm bills clients or deducts its fee.

See the response to Item 4B above.

C. Describe any other types of fees or expenses clients may pay in connection with firm's advisory services, such as custodian fees or mutual fund expenses. Disclose that clients will incur brokerage and other transaction costs, and direct clients to the section(s) of your brochure that discuss brokerage.

See the response to Item 4B above.

D. If the firm's clients either may or must pay your fees in advance, disclose this fact. Explain how a client may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.

HCAS's management fee may be payable in advance. In those instances where HCAS management fee is paid in advance, upon termination, any fees paid in advance will be prorated to the date of termination and any excess will be refunded to client.

E. If the firm or any of its supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact.

See the response to Item 4B above.

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

If the firm or any of its supervised persons accepts performance-based fees, that is, fees based on a share of capital gains on or capital appreciation of the assets of a client, disclose this fact. If the firm or any of its supervised persons manages both accounts that are charged a performance-based fee and accounts that are charged another type of fee, such as an hourly or flat fee or asset-based fee, disclose this fact.

HCAS does not charge performance-based fees therefore this question is not applicable.

Item 7 Types of Clients

Describe the types of clients to who the firm generally provide investment advice, such as individuals, trusts, investment companies or pension plans. If the firm has any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.

See the response to Item 4B above.

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

A. Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets.

The Advisor may utilize fundamental, technical/charting or cyclical analysis techniques in formulating investment advice or managing assets for clients.

Fundamental analysis of businesses involves analyzing its financial statements and health, its management and competitive advantages and its competitors and markets. Fundamental analysis is performed on historical and present data but with the goal of making financial forecasts. There are several possible objectives; to conduct a company stock valuation and predict its probable price evolution; to make a projection on its business performance; to evaluate its management and make internal business decisions and to calculate its credit risk.

Technical analysis is a method of evaluating securities by relying on the assumption that market data, such as charts of price, volume and open interest can help predict future (usually short-term) market trends. Technical analysis assumes that market psychology influences trading in a way that enables predicting when a stock will rise or fall.

Cyclical analysis of economic cycles is used to determine how these cycles affect the returns of an investment, an asset class or an individual company's profits. Cyclical risks exist because the broad economy has been shown to move in cycles, from periods of peak performance followed by a downturn, then a trough of low activity. Between the peak and trough of a business or other economic cycle, investments may fall in value to reflect the uncertainty surrounding future returns as compared with the recent past.

The investment strategies the Advisor will implement may include long term purchases of securities held at least for one year; short term purchases for securities sold within a year; trading of securities sold within 30 days, short sales, margin transactions, option writing, including covered options, uncovered options or spreading strategies.

Clients need to be aware that investing in securities involves risk of loss that clients need to be prepared to bear.

B. For each significant investment strategy or method of analysis the firm uses, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss the risks in detail. If the firm's primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

The methods of analysis and investment strategies followed by the Advisor are utilized across all of the Advisors clients, as applicable. One method of analysis or investment strategy is not more significant than the other as the Advisor is considering the client's portfolio, risk tolerance, time horizon and individual goals. However, the client should be aware that with any trading that occurs in the client account, the client will incur transaction and administrative costs.

C. If the firm recommends primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.

The Advisor does not primarily recommend a particular type of security.

Item 9 Disciplinary Information

If there are legal or disciplinary events that are material to a client's or prospective client's evaluation of the firm's advisory business or the integrity of the firm's management, disclose all material facts regarding those events.

Clients should be aware that neither HCAS nor its management person(s) have had any legal or disciplinary events, currently or in the past.

Item 10 Other Financial Industry Activities and Affirmations

A. If the firm or any of its management person are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.

Messrs. Frank A. Monte and Jeremy T. Monte are owners/officers of Harbor Financial Group, Inc., a financial services company through which Mr. Jeremy Monte supervises the securities business of certain Registered Representatives of APFS. Such individuals are also IARs of HCAS.

In their capacity as registered representatives of APFS, IARs of the Firm may offer Clients securities and/or insurance products for which they receive a commission. The relationship

between all parties is fully disclosed to Clients. The amount of time IARs of the Firm spend in their capacities as registered representatives of APFS and as IARs of the Firm will vary.

IARs of the Firm are separately licensed as registered representatives of APFS. In this capacity, associated persons are involved in the sale of securities of various types, including, but not limited to stocks, bonds, mutual funds, variable annuities, and limited partnerships. In addition, associated persons may also be involved in the sale of insurance products. As such, associated persons can effect transactions in insurance products for Clients and earn commissions for these activities.

All compensation received by IARs of the Firm for securities transactions through APFS will be separate, yet customary for effecting securities transactions, including 12b-1 fees for the sale of investment company products. IARs may make differing recommendations with respect to the same securities or insurance products to different advisory Clients. All recommendations made are specific to each Client's individualized needs and current financial situation.

IARs, in their function as registered representatives and/or insurance agents, will effect securities transactions through APFS. If an advisory Client implements recommendations made by the associated person by purchasing securities or other products through APFS, the associated person will receive additional compensation in the form of commissions, including 12b-1 fees for the sale of investment company products.

B. If the firm or any of its management persons are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, disclose this fact.

Not applicable to HCAS or any of its management persons.

C. Describe any relationship or arrangement that is material to the firm's advisory business or to your clients that the firm or any of its management persons have with any related person listed below. Identify the related person and if the relationship or arrangement creates a material conflict of interest with clients, describe the nature of the conflict and how you address it.

Delbert J. Smith, Investment Advisor Representative with HCAS is also a Certified Public Accountant and has his own accounting firm, Delbert J. Smith, CPA, P.C. Clients of HCAS are not required to use the accounting services of Mr. Smith, however if a client chooses to engage Mr. Smith for these services, there are fees associated with the accounting services. The receipt of additional compensation creates a conflict of interest. Conflicts of interest exist because of the receipt of additional compensation by Mr. Smith. If the Client utilizes Mr. Smith's accounting firm, all additional compensation will be disclosed to the client prior to the client utilizing the services of the accounting firm.

D. If firm recommends or selects other investment advisers for its clients and receives compensation directly or indirectly from those advisers that creates a material conflict of interest, or if the firm has other business relationships with those advisers that create a material conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.

HCAS does recommend or select other investment advisors for clients. For more specific detail see the response to 4B above.

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

A. If the firm is an SEC-registered advisor, briefly describe your code of ethics adopted pursuant to SEC rule 204A-1 or similar state rules. Explain that you will provide a copy of your code of ethics to any client or prospective client upon request.

HCAS has adopted a Code of Ethics, the full text of which is available to Clients and prospective Clients upon request. HCAS has several goals in adopting this Code. The Firm desires to comply with all applicable laws and regulations governing its practice, and the management of HCAS has determined to set forth guidelines for professional standards, under which all associated persons of HCAS are to conduct themselves. HCAS has set high standards, the intention of which is to protect Client interests at all times and to demonstrate its commitment to its fiduciary duties of honesty, good faith and fair dealing with Clients, as well as the procedures for approval and reporting established in the Code of Ethics. All associated persons are expected to adhere strictly to these guidelines. In addition, HCAS maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by HCAS or any person associated with the Firm.

B. If firm or its related persons recommends to clients, or buys or sells for client accounts, securities in which the firm or a related person has a material financial interest, describe the firm's practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.

See the response to Item 10A above.

C. If the firm or a related person invests in the same securities (or related securities, e.g., warrants, options or futures) that the firm or a related person recommends to clients, describe the firm's practice and discuss the conflicts of interest this presents and generally how the firm addresses the conflicts that arise in connection with personal trading.

HCAS or individuals associated with the Firm may buy or sell – for their personal account(s) - investment products identical to those recommended to Clients. It is the express policy of HCAS that employees shall not have priority in any purchase or sale over Clients' accounts. ⁽¹⁾⁽²⁾

Footnotes:

(1) This investment policy has been established recognizing that some securities being considered for purchase and/or sale on behalf of HCAS's Clients trade in sufficiently broad markets to permit transactions by Clients to be completed without an appreciable impact on the markets of the securities. Under certain circumstances, exceptions may be made to the policies stated above. Records of these trades, including the reasons for the exceptions, will be maintained with HCAS's records in the manner set forth above.

(2) The foregoing does not apply to certain types of securities, such as obligations of the U.S. Government, and shares in open-end mutual funds. Open-end mutual funds are purchased or redeemed at a fixed net asset value price per share specific to the date of purchase or redemption. As such, transactions in mutual funds by Advisory Representatives are not likely to have an impact on the prices of the fund shares in which Clients invest.

D. If the firm or related person recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that the firm or related person buys or sells the same securities for your own account, describe the firm's practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.

See the response to Item 11C above.

Item 12 Brokerage Practices

A. Describe the factors the firm considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g. commissions).

The Firm will recommend that a Client in need of brokerage and custodial services utilize APFS. Client may be able to obtain lower commissions and fees from other brokers.

Associated persons of the Firm are also registered as representatives of APFS, a broker/dealer and FINRA member firm. APFS is required to supervise the securities trading activities of its representatives.

Clients are required to select a broker/dealer as custodian for participation in the advisory programs offered by the Firm, and the IARs may recommend broker/dealers to be used as custodian. HCAS reserves the right not to accept a Client account if the Client chooses to select a broker or dealer other than APFS or one of the major industry custodians with which HCAS has a working relationship. Due to the nature of its advisory services, the Firm does not have the

authority to negotiate commissions or obtain volume discounts, although the Firm will endeavor to achieve best execution of transactions.

1.a.-f. Research and Other Soft Dollar Benefits.

If the firm receives research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions (“soft dollar benefits”), disclose the firm’s practices and discuss the conflicts of interest they create.

As previously stated, from time to time, IARs of the Firm may receive 12b-1 distribution fees from investment companies (mutual funds) in connection with the placement of Client funds into investment companies through their separate capacities as registered representatives of APFS and/or Pershing. IARs will also sell insurance products and will receive customary income for the sale of such products.

As part of their fiduciary duty, the Firm, and its associated persons endeavor at all times to put the interest of the Client first, Clients should be aware that receipt of additional compensation itself creates a potential conflict of interest.

2. Brokerage for Client Referrals.

If the firm considers, in selecting or recommending broker-dealers, whether the firm or a related person receives client referrals from a broker-dealer or third party, disclose this practice and discuss the conflicts of interest it creates.

HCAS does not receive client referrals from any broker-dealer or third party as a result of the firm selecting or recommending that broker-dealer to clients.

3.a. Directed Brokerage.

If the firm routinely recommends, requests or requires that a client direct you to execute transactions through a specified broker-dealer, describe the firm’s practice or policy.

See the response to Item 12A above.

3.b If the firm permits a client to direct brokerage, describe your practice.

See the response to Item 12A above.

B. Discuss whether and under what conditions the firm aggregates the purchase or sale of securities for various client accounts. If the firm does not aggregate orders when it has the opportunity to do so, explain your practice and describe the costs to clients of not aggregating.

HCAS's practice is to analyze and trade client accounts individually therefore there is no opportunity to initiate trades for multiple accounts at the same time. The practice of aggregation is not applicable.

Item 13 Review of Accounts

A. Indicate whether your firm periodically reviews client accounts or financial plans. If you do, describe the frequency and nature of the review and the titles of the supervised persons who conduct the review.

Investment Advisory Representatives, including Frank A. Monte, Jeremy T. Monte, Gregory J. Halstead, Mark A. Muchowski, and Delbert Smith will monitor their respective Client accounts on an ongoing basis and will conduct formal reviews on a quarterly basis. Triggering factors that may stimulate additional reviews of a Client's account include, but are not limited to, the following: changes in economic conditions, changes in the Client's financial situation or investment objectives, and/or the Client's request for an additional review of the account.

The client will receive statements no less than quarterly from the trustee or custodian. In addition, the client will receive other supporting reports from Mutual Funds, Asset Managers, Trust Companies or Custodians, Insurance Companies, Broker/Dealers and others who are involved with client accounts.

The client is encouraged to notify the Advisor and Investment Advisor Representative if changes occur in his/her personal financial situation that might adversely affect his/her investment plan.

B. If the firm reviews client accounts on other than a periodic basis, describe the factors that trigger a review.

This question is not applicable to HCAS.

C. Describe the content and indicate the frequency of regular reports the firm provides to clients regarding their accounts. State whether these reports are written.

See the response to Item 13A above.

Item 14 Client Referrals and Other Compensation

A. If someone who is not a client provides an economic benefit to the firm for providing investment advice or other advisory services to your clients, generally describe the arrangement, explain the conflicts of interest, and describe how the firm addresses the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.

HCAS does not currently have any such arrangements.

B. If the firm or a related person directly or indirectly compensates any person who is not a supervised person for client referrals, describe the arrangement and the compensation.

Non-employee (outside) consultants, who are directly responsible for bringing a Client to HCAS, may receive compensation from HCAS. Such agreements will comply with the requirements set out in Rule 206(4)-3 of the Investment Advisers Act of 1940, including the requirement that the relationship between the solicitor and the investment adviser be disclosed to the Client at the time of the solicitation or referral. Under these arrangements, the Client does not pay higher fees than HCAS' normal/typical advisory fees.

Item 15 Custody

If the firm has custody of client funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to clients, explain that clients will receive account statements from the broker-dealer, bank or other qualified custodian and that clients should carefully review those statements.

HCAS does not have custody of client funds or securities, however, the client will receive statements no less than quarterly from the custodian. HCAS encourages clients to carefully review their account statements for any inaccuracies. Any discrepancies should be immediately brought to the firm's attention.

Item 16 Investment Discretion

If the firm accepts discretionary authority to manage securities accounts on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).

HCAS generally has discretion over the selection and amount of securities to be bought or sold in client accounts without obtaining prior consent or approval from the client for each

transaction. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the client and agreed to by HCAS.

Discretionary authority will only be provided upon full disclosure to the client. The granting of such authority will be evidenced by the client's execution of an Investment Advisory Agreement containing all applicable limitations to such authority. All discretionary trades made by HCAS will be in accordance with each client's investment objectives and goals.

Item 17 Voting Client Securities

A. If the firm has, or will accept authority to vote client securities, briefly describe the voting policies and procedures, including those adopted pursuant to SEC rule 206(4)-6 and the applicable state securities rules.

HCAS does not accept authority to vote client securities therefore this question is not applicable.

B. If the firm does not have authority to vote client securities, disclose this fact. Explain whether clients will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you and discuss whether (and, if so, how) clients can contact you with questions about a particular solicitation.

Proxy Voting

HCAS will not vote proxies on behalf of Client accounts. Although, on rare occasions and only at the Client's request, HCAS may offer Clients advice regarding corporate actions and the exercise of proxy voting rights/material.

Class Action Lawsuits

From time to time, securities held in the accounts of Clients will be the subject of class action lawsuits. The Firm 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, the Firm 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

A. If the firm requires or solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, include a balance sheet for your most recent fiscal year.

HCAS does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

B. If firm has discretionary authority or custody of client funds or securities, or firm requires or solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to clients.

HCAS has discretionary authority over client accounts and is not aware of any financial condition that will likely impair its ability to meet contractual commitments to clients. If HCAS does become aware of any such financial condition, this brochure will be updated and clients will be notified.

C. If firm has been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought and the current status.

HCAS has not been the subject of a bankruptcy petition therefore this question is not applicable.

Item 19 Requirements for State-Registered Advisers

HCAS is registered with the Securities and Exchange Commission (SEC) and therefore not subject to this Item.