

**ITEM 1. COVER PAGE FOR PART 2A APPENDIX 1 OF FORM ADV:  
WRAP FEE PROGRAM BROCHURE**

**DATED: March 13, 2012**

**HARBINGER ASSET MANAGEMENT, LLC**

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This wrap fee program brochure provides information about the qualifications and business practices of Harbinger Asset Management, LLC. If you have any questions about the contents of this brochure, please contact our firm by telephone at (714) 689-1172 or by email at [ctolmacs@harbingerfinancialgroup.com](mailto:ctolmacs@harbingerfinancialgroup.com). 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 Harbinger Asset Management, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Please note that the use of the term "registered investment adviser" and description of Harbinger Asset Management, LLC and/or our associates as "registered" does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firm's associates who advise you for more information on the qualifications of our firm and its employees.

Item 2. Material Changes to Our Part 2A Appendix 1(Wrap Fee Program Brochure)  
of our Form ADV

Harbinger Asset Management, LLC is required to advise you of any material changes to our Wrap Fee Program Brochure ("Wrap Brochure") from our last annual update, identify those changes on the cover page of our Wrap Brochure or on the page immediately following the cover page, or in a separate communication accompanying our Wrap Brochure. We must state clearly that we are discussing only material changes since the last annual update of our Wrap Brochure, and we must provide the date of the last annual update of our Wrap Brochure.

Please note we do not have to provide this information to a client or prospective client who has not received a previous version of our Wrap Brochure.

Last Annual Amendment Filing Date: 03/13/2012

Since our last annual amendment filing, Harbinger Asset Management, LLC is switching from SEC to State registration.

### Item 3. Table of Contents

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## ITEM 4. SERVICES, FEES AND COMPENSATION

Harbinger Asset Management, LLC is dedicated to providing our clients with a wide array of investment advisory services. Our wrap fee accounts are managed on an individualized basis according to the client's investment objectives, financial goals, risk tolerance, etc.

### A. TRIAD Advisors, Inc. Wrap Fee Programs:

As part of our Triad Sponsored Asset Management service, we generally create a portfolio, consisting of individual stocks or bonds, exchange traded funds ("ETFs"), options, mutual funds and other public and private securities or investments. The client's individual investment strategy is tailored to their specific needs and may include some or all of the previously mentioned securities. Each portfolio will be initially designed to meet a particular investment goal, which we determine to be suitable to the client's circumstances. Once the appropriate portfolio has been determined, we review the portfolio at least quarterly and if necessary, rebalance the portfolio based upon the client's individual needs, stated goals and objectives. Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

We offer our Clients a Wrap fee-based asset management through the following Triad Advisors programs:

#### (i) Odyssey Account:

This is a wrap fee account, whereby the client selects a recommended asset allocation for its assets, although the client has the ability to place restrictions on the types and classes of securities which may be purchased for the account, subject to the approval of the manager. The Odyssey Account is designed primarily to assist Triad in providing investment management services such as risk profiling, target asset class allocation, customization and implementation of asset allocation, and management through periodic and/or event driven rebalancing. There is a \$25,000 minimum relationship size (cash or assets) for the Odyssey Account and fees are negotiable. The basic asset based fee schedule is described below.

<b>Assets Under Management</b>	<b><u>Annual Percentage of assets charge*</u></b>
\$0 to \$249,999	2.50%
\$250,000 to \$499,999	2.25%
\$500,000 to \$749,999	2.00%
\$750,000 to \$999,999	1.75%
\$1,000,000 to \$3,000,000	1.50%

Over \$3,000,000	Negotiable
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Fees include the Investment Manager fee of 0.15% and Sub-Manager fee of 0.20%. Clearing and trading fees are paid through the Investment Manager's portion of the fee. There are no transaction charges assessed to the client in the Odyssey Account. Our firm's fees are generally not negotiable. Further, our firm's fees are billed on a pro-rata annualized basis quarterly in advance based on the average daily balance of the previous quarter.

**(ii) Pinnacle Account:**

The Pinnacle Account is Wrap Account sponsored by Triad through its investment adviser and designed to allow the IAR the ability to manage mutual funds, stocks, bonds and insurance products (including variable annuity subaccounts). A Wrap Account offers clients a convenient single "wrap" fee that covers investment management, administrative and trading costs. The Pinnacle Account may be suitable for accounts greater than \$150,000 and prefer not to pay individual transaction charges. However, there is no minimum account size and fees are negotiable. The basic asset based fee schedule for the Pinnacle Account is as follows:

<b>Assets Under Management</b>	<b><u>Annual Percentage of assets charge*</u></b>
\$0 to \$249,999	2.50%
\$250,000 to \$499,999	2.25%
\$500,000 to \$749,999	2.00%
\$750,000 to \$999,999	1.75%
\$1,000,000 to \$3,000,000	1.50%
Over \$3,000,000	Negotiable

There are no transaction charges assessed to the client in the Pinnacle Account. However, a minimum service fee may be charged and an early termination fee will be charged for accounts open less than one (1) year.

The Programs are offered as a "Wrap Accounts" which bundles Advisory, Administrative and Transaction Charges into one asset-based fee. Alternatively, the Transaction Charges can be unbundled from the Advisory and Administrative fees.

Total Account Fees will range to a maximum of 2.50% in a Wrap Program. Asset-based fees will also range to a maximum of 2.50% in the Unbundled Program; however, Clients will pay separate transaction fee.

Our firm's fees are generally negotiable. Further, our firm's fees are billed on a pro-rata annualized basis quarterly in advance based on the average daily balance of the previous quarter.

#### **B. Relative cost of the program**

A wrap fee programs allows our clients to pay a specified fee for investment advisory services and the execution of transactions. The advisory services may include portfolio management and/or advice concerning selection of other advisers, and the fee is not based directly upon transactions in your account. Your fee is bundled with our costs for executing transactions in your account(s). This results in a higher advisory fee to you. We do not charge our clients higher advisory fees based on their trading activity, but you should be aware that we may have an incentive to limit our trading activities in your account(s) because we are charged for executed trades. By participating in a wrap fee program, you may end up paying more or less than you would through a non-wrap fee program where a lower advisory fee is charged, but trade execution costs are passed directly through to you by the executing broker.

#### **C. Additional Fees**

You may pay custodial fees, charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses), mark-ups and mark-downs, spreads paid to market makers, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions. These fees are not included within the wrap-fee you are charged by our firm.

#### **D. Adviser Compensation**

Our investment advisory representatives receive a portion of the advisory fee that you pay us, either directly as a percentage of your overall fee or as their salary from our firm. In cases where our investment advisory representatives are paid a percentage of your overall advisory fee, this may create an incentive to recommend that you participate in a wrap fee program rather than a non-wrap fee program (where you would pay for trade execution costs) or brokerage account where commissions are charged. This is because, in some cases, we may stand to earn more compensation from advisory fees paid to us through a wrap fee program arrangement if your account is not actively traded. This conflict is mitigated by the fact that clients are not required to participate in our wrap fee program.

## **Item 5. Account Requirements and Types of Clients**

We impose the following requirement(s) to open or maintain an account:

- Odyssey Account requires a minimum account size of \$25,000.
- Pinnacle Account requires a minimum account size of 150,000.

Types of clients we typically manage wrap fee accounts on behalf of, include:

- Individuals;
- Trusts, Estates or Charitable Organizations;
- Pension and Profit Sharing Plans;
- Corporations, limited liability companies and/or other business types;
- State or Municipal Government entities.

## **Item 6. Portfolio Manager Selection and Evaluation**

### **A. Selection and Review of Portfolio Managers**

Our firm selects and reviews outside portfolio managers based on the following factors:

- past performance;
- investment philosophy;
- market outlook;
- experience of portfolio managers and executive team;
- disciplinary, legal and regulatory histories of the firm and its associates;
- whether established compliance procedures are in place to address at a minimum, insider trading, conflicts of interest, anti-money laundering.

We do not calculate portfolio manager performance. Instead, we rely upon the performance figures based on client's monthly or quarterly statements or reports provided to us by third party portfolio managers. In addition, we review third party performance information provided to us by outside portfolio managers, to calculate and verify investment results reported to us, which are in turn presented to prospective and existing clients. Our firm does not review performance information from portfolio managers and we do not hire party firms to do so. As a result, performance information may not be calculated on a uniform and consistent basis.

### **B. Related Persons acting as Portfolio Managers**

Our firm and its related persons have not acted as portfolio manager(s) for the wrap fee program(s) described in this Wrap Fee Program Brochure. Due to this, you should be aware that our firm cannot actively monitor outside portfolio managers conflicts of interest, daily trading activity and other operational issues.

### **Item 7. Client Information Provided to Portfolio Manager(s)**

Our firm communicates with your portfolio manager(s) on a regular basis as needed (daily, weekly, monthly, etc) to ensure your most current investment goals and objectives are understood by your portfolio manager(s). In most cases, we will communicate such information as part of our regular investment management duties. Nevertheless, we will also communicate information to your portfolio manager(s) when you ask us to, when market or economic conditions make it prudent to do so.

### **Item 8. Client Contact with Portfolio Manager(s)**

Clients are always free to directly contact their portfolio manager(s) with any questions or concerns they have about their portfolios or other matters.

### **Item 9. Additional Information**

#### **A. Disciplinary Information and Other Financial Industry Activities and Affiliations**

1. We have determined that our firm and management have no disciplinary information to disclose.
2. Our firm's management persons are registered representatives of Triad Advisors, Inc., ("TRIAD"), member FINRA/SIPC. Management persons may offer securities and receive normal and customary commissions as a result of securities transactions. This presents a conflict of interest to the extent that the management persons recommend that a client invest in a security which results in a commission being paid to him.

#### **B. Code of Ethics, Review of Accounts, Client Referrals and Other Compensation, and Financial Information**

1. Code of ethics, participation or interest in client transactions and personal trading.
  - a.) We recognize that the personal investment transactions of members and employees of our firm demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, we believe that if investment goals are similar for clients and for members and employees of our firm, it is logical and even desirable that there be common ownership of some securities.



Therefore, in order to prevent conflicts of interest, we have in place a set of procedures (including a pre-clearing procedure) with respect to transactions effected by our members, officers and employees for their personal accounts<sup>1</sup>. In order to monitor compliance with our personal trading policy, we have a quarterly securities transaction reporting system for all of our associates.

Furthermore, our firm has established a Code of Ethics which applies to all of our associated persons. An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

## 2. Review of accounts.

- a.) We review accounts on at least a semi-annual basis. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. Client accounts are reviewed by their respective advisory representatives and are overseen by Chris Tolmacs, Chief Compliance Officer.
- b) We may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc.

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<sup>1</sup> For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

- c.) We do not provide written reports to clients, unless asked to do so. Verbal reports to clients take place on at least an annual basis when we meet with clients.

3. Client referrals and other compensation.

a) National Financial Services, LLC:

Investment Advisory Accounts will generally be established with National Financial Services, LLC, ("NFS") a Fidelity Investments Company, an unaffiliated service provider. Factors which Mutual considers in utilizing NFS (or any other broker-dealer/custodian) to clients include its respective financial strength, reputation, execution, pricing, reporting, research, and service. Prior to Mutual providing investment management services, Client will be required to enter into a formal Investment Advisory Agreement with Mutual setting forth the terms and conditions under which Mutual shall manage Client's assets, and a separate custodial/clearing agreement with NFS.

Mutual's Investment Advisory Agreement and the custodial/clearing agreement, may authorize the account custodian to debit the client account for the amount of Mutual's investment advisory fee and to directly remit that management fee to Mutual in accordance with required SEC procedures.

In return for effecting securities transactions through NFS or another designated broker-dealer or custodian, we may receive certain investment research products and/or services which assist us in its investment decision-making process for the client, all of which transactions shall be in compliance with Section 28(e) of the Securities Exchange Act of 1934.

The brokerage commissions and/or transaction fees charged by NFS or any other designated broker-dealer or custodian are exclusive of, and in addition to, our investment management fee.

We do not receive any cash benefits, including commissions, from NFS or any other broker-dealer or custodian in connection with client accounts. Certain non-cash benefits may be received by us from NFS or another broker-dealer or custodian which would not be available if we did not maintain a relationship with NFS or any other broker-dealer or custodian. These non-cash benefits received by us from NFS include:

- NFS directly reimbursing clients for termination and/or transfer fees levied by firms during the process of bringing their accounts to NFS;
- duplicate client account confirmations and statements;
- registrant's access to a trading desk for institutional clients;
- ability to have investment advisory fees automatically deducted from client accounts;
- possible access to an electronic communications network for client order entry and account information;
- compliance publications and continuing education seminars;

- lower minimum initial investments required for mutual fund investments than is generally required;
  - access to certain institutional mutual funds by our retail investors.
- b) We do not pay referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm in accordance with Rule 206 (4)-3 of the Investment Advisers Act of 1940.

4. Financial information.

- a) We do not require nor do we solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore we have not included a balance sheet for our most recent fiscal year.

## **ITEM 10. REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

In addition to any relationship or arrangement described in response to Item 9.A.2 of Part 2A Appendix 1 of Form ADV, we must describe any relationship or arrangement that our firm or any of our management persons have with any issuer of securities that is not listed in Item 9.A.2 of Part 2A Appendix 1 of Form ADV.

We are State registered and have responded to this Item in Item 9.A.2 of this Part 2A Appendix 1 of Form ADV.