

FORM ADV**Uniform Application for Investment Adviser Registration****Part II - Page 1****OMB APPROVAL**

OMB Number: 3235-0049
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Hours per response.....9.402

Name of Investment Adviser: Chatham Advisors, LLC						
Address:	(Number and Street)	(City)	(State)	(Zip Code)	Area Code:	Telephone Number:
	3100 Tower Blvd., Suite 808	Durham	NC	27707		919-489-8181

**This part of FORM ADV gives information about the investment adviser and its business for the use of clients.
The information has not been approved or verified by any government authority.**

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(Schedule A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential persons who are to respond to the collection of information contained in this form
are not required to respond unless the form displays a currently valid OMB control number.

Applicant: Chatham Advisors, LLC

SEC File Number:

801- 69042

Date:

02/11/2009

1. A. Advisory Services and Fees. (check the applicable boxes)

For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)

Applicant:

- | | | | |
|---|--|----|---|
| <input checked="" type="checkbox"/> (1) | Provides investment supervisory services | 90 | % |
| <input type="checkbox"/> (2) | Manages investment advisory accounts not involving investment supervisory services..... | | % |
| <input checked="" type="checkbox"/> (3) | Furnishes investment advice through consultations not included in either service described above... | 10 | % |
| <input type="checkbox"/> (4) | Issues periodicals about securities by subscription | | % |
| <input type="checkbox"/> (5) | Issues special reports about securities not included in any service described above..... | | % |
| <input type="checkbox"/> (6) | Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities..... | | % |
| <input checked="" type="checkbox"/> (7) | On more than an occasional basis, furnishes advice to clients on matters not involving securities... | 0 | % |
| <input type="checkbox"/> (8) | Provides a timing service | | % |
| <input type="checkbox"/> (9) | Furnishes advice about securities in any manner not described above..... | | % |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

- B. Does applicant call any of the services it checked above financial planning or some similar term? Yes ☒ No ☐

C. Applicant offers investment advisory services for: (check all that apply)

- | | |
|--|--|
| <input checked="" type="checkbox"/> (1) A percentage of assets under management | <input type="checkbox"/> (4) Subscription fees |
| <input checked="" type="checkbox"/> (2) Hourly charges | <input type="checkbox"/> (5) Commissions |
| <input checked="" type="checkbox"/> (3) Fixed fees (not including subscription fees) | <input type="checkbox"/> (6) Other |

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. Types of clients - Applicant generally provides investment advice to: (check those that apply)

- | | |
|---|--|
| <input checked="" type="checkbox"/> A. Individuals | <input checked="" type="checkbox"/> E Trusts, estates, or charitable organizations |
| <input type="checkbox"/> B. Banks or thrift institutions | <input checked="" type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input type="checkbox"/> C. Investment companies | <input type="checkbox"/> G. Other (describe on Schedule F) |
| <input checked="" type="checkbox"/> D. Pension and profit sharing plans | |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1)

3. Types of Investments. Applicant offers advice on the following: (check those that apply)

- | | |
|--|--|
| <input checked="" type="checkbox"/> A. Equity securities | <input checked="" type="checkbox"/> H. United States government securities |
| <input checked="" type="checkbox"/> (1) exchange-listed securities | <input checked="" type="checkbox"/> I. Options contracts on: |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter | <input type="checkbox"/> (1) securities |
| <input checked="" type="checkbox"/> (3) Foreign issuers | <input type="checkbox"/> (2) commodities |
| <input checked="" type="checkbox"/> B. Warrants | <input type="checkbox"/> J. Futures contracts on: |
| <input checked="" type="checkbox"/> C. Corporate debt securities (other than commercial paper) | <input type="checkbox"/> (1) tangibles |
| <input type="checkbox"/> D. Commercial paper | <input type="checkbox"/> (2) intangibles |
| <input checked="" type="checkbox"/> E. Certificates of deposit | <input type="checkbox"/> K. Interests in partnerships investing in: |
| <input checked="" type="checkbox"/> F. Municipal securities | <input type="checkbox"/> (1) real estate |
| <input type="checkbox"/> G. Investment company securities: | <input type="checkbox"/> (2) oil and gas interests |
| <input type="checkbox"/> (1) variable life insurance | <input type="checkbox"/> (3) other (explain on Schedule F) |
| <input type="checkbox"/> (2) variable annuities | <input type="checkbox"/> L. Other (explain on Schedule F) |
| <input checked="" type="checkbox"/> (3) mutual fund shares | |

4. Methods of Analysis, Sources of Information, and Investment Strategies.

A. Applicant's security analysis methods include: (check those that apply)

- | | |
|---|--|
| (1) <input type="checkbox"/> Charting | (4) <input type="checkbox"/> Cyclical |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical | |

B. The main sources of information applicant uses include: (check those that apply)

- | | |
|---|---|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines | (5) <input type="checkbox"/> Timing services |
| (2) <input type="checkbox"/> Inspections of corporate activities | (6) <input type="checkbox"/> Annual reports, prospectuses, filings with the |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | Securities and Exchange Commission |
| (4) <input type="checkbox"/> Corporate rating services | (7) <input type="checkbox"/> Company press releases |
| | (8) <input checked="" type="checkbox"/> Other (explain on Schedule F) |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- | | |
|--|---|
| (1) <input checked="" type="checkbox"/> Long term purchases
(securities held at least a year) | (5) <input checked="" type="checkbox"/> Margin transactions |
| (2) <input checked="" type="checkbox"/> Short term purchases
(securities sold within a year) | (6) <input checked="" type="checkbox"/> Option writing, including covered options,
uncovered options or spreading strategies |
| (3) <input checked="" type="checkbox"/> Trading (securities sold within 30 days) | (7) <input type="checkbox"/> Other (explain on Schedule F) |
| (4) <input checked="" type="checkbox"/> Short sales | |

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5. Education and Business Standards.

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? Yes No
☒ ☐

(If yes, please describe these standards on Schedule F)

6. Education and Business Background.

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- name
- year of birth
- formal education after high school
- business background for the preceding five years

7. Other Business Activities. (check those that apply)

- ☐ A. Applicant is actively engaged in a business other than giving investment advice.
- ☐ B. Applicant sells products or services other than investment advice to clients.
- ☐ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

8. Other Financial Industry Activities or Affiliations. (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- ☒ C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- | | |
|--|--|
| <input checked="" type="checkbox"/> (1) broker-dealer | <input type="checkbox"/> (7) accounting firm |
| <input checked="" type="checkbox"/> (2) investment company | <input type="checkbox"/> (8) law firm |
| <input checked="" type="checkbox"/> (3) other investment adviser | <input type="checkbox"/> (9) insurance company or agency |
| <input type="checkbox"/> (4) financial planning firm | <input type="checkbox"/> (10) pension consultant |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer |
| <input type="checkbox"/> (6) banking or thrift institution | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?.. Yes No
☐ ☒

(If yes, describe on Schedule F the partnerships and what they invest in.)

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9. Participation or Interest in Client Transactions.

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☐ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sell for itself securities it also recommended to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

- 10. Conditions for Managing Accounts.** Does the applicant provide investment advisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other condition for starting or maintaining an account?

Yes No
☒ ☐

(If yes, describe on Schedule F)

- 11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory account, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

Please refer to Schedule F, Item 11.A.

- B. Describe below the nature and frequency of regular reports to clients on their accounts.

Please refer to Schedule F, Item 11.A.

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12. Investment or Brokerage Discretion.

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- | | | |
|--|-------------------------------------|-------------------------------------|
| | Yes | No |
| (1) securities to be bought or sold? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (2) amount of securities to be bought or sold? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (3) broker or dealer to be used? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (4) commission rates paid? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

B. Does applicant or a related person suggest brokers to clients? ☒ Yes ☐ No

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for product and research services received.

13. Additional Compensation.

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- | | | |
|---|--------------------------|-------------------------------------|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? | Yes | No |
| | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals? | Yes | No |
| | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

(For each yes, describe the arrangements on Schedule F.)

14. Balance Sheet. Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
- requires prepayment of more than \$500 in fees per client and 6 or more months in advance

Has applicant provided a Schedule G balance sheet?..... ☐ Yes ☒ No

**Schedule F of
FORM ADV
Continuation Sheet for Form ADV Part II**

Applicant:
Chatham Advisors, LLC

SEC File Number:
801- 69042

Date:
02/11/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other Schedules)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

Chatham Advisors, LLC

IRS Empl. Ident. No.:

Item of Form (identify)	Answer
1.D.	<p>This brochure provides information about the qualifications and business practices of Chatham Advisors, LLC (hereinafter "Chatham Advisors). Please contact Malcolm Trevillian, President of Chatham Advisors, if you have any questions about the contents of this brochure. 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.</p> <p>Additional information about Chatham Advisors is available on the Internet at www.adviserinfo.sec.gov/IAPD/. You can search this site by a unique identifying number, known as a CRD number. The CRD number for Chatham Advisors is 146937.</p> <p><u>ADVISORY SERVICES</u></p> <p><u>PORTFOLIO MANAGEMENT SERVICES:</u></p> <p>Chatham Advisors offers a combination of the following advisory services, where appropriate, to individuals, high net worth individuals, corporations, and trusts, estates or charitable organizations.</p> <p>Chatham Advisors provides Investment Supervisory Services, defined as giving continuous advice to a client or making investments for a client based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, Chatham Advisors develops a client's personal investment policy and creates and manages a portfolio based on that policy. Chatham Advisors will manage advisory accounts on a discretionary and non-discretionary basis. Account supervision is guided by the stated objectives of the client (i.e., maximum capital appreciation, growth, income, or growth and income).</p> <p>Chatham Advisors will create a portfolio consisting of one or all of the following: individual equities, bonds, other investment products, exchange traded funds, and no-load, load-waived, and front-load mutual funds. Chatham Advisors will allocate the client's assets among various investments, taking into consideration the overall management style selected by the client. The</p>

(Complete amended pages in full, circle amended items and file with execution page (page 1).

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Chatham Advisors, LLC

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801- 69042

Date:
02/11/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other Schedules)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

Chatham Advisors, LLC

IRS Empl. Ident. No.:

Item of Form (identify)	Answer
	<p>mutual funds will be selected on the basis of any or all of the following criteria: the fund's performance history; the industry sector in which the fund invests; the track record of the fund's manager; the fund's investment objectives; the fund's management style and philosophy; and the fund's management fee structure. Portfolio weighting between funds and market sectors will be determined by each client's individual needs and circumstances. Clients will have the opportunity to place reasonable restrictions on the types of investments which will be made on the client's behalf. Clients will retain individual ownership of all securities.</p> <p>When appropriate to the needs of the client, Chatham Advisors may recommend the use of trading (securities sold within 30 days), short sales, margin transactions or option writing. Because these investment strategies involve certain additional degrees of risk, they will only be recommended when consistent with the client's stated tolerance for risk.</p> <p>FINANCIAL PLANNING:</p> <p>Chatham Advisors also provides advice in the form of a Financial Plan. Clients purchasing this service will receive a written report, providing the client with a detailed financial plan designed to achieve his or her stated financial goals and objectives.</p> <p>In general, the financial plan will address any or all of the following areas of concern:</p> <ul style="list-style-type: none"> - PERSONAL: Family records, budgeting, personal liability, estate information and financial goals. - TAX & CASH FLOW: Income tax and spending analysis and planning for past, current and future years. Chatham Advisors will illustrate the impact of various investments on a client's current income tax and future liability. - DEATH & DISABILITY: Cash needs at death, income needs of surviving dependents, estate planning and disability income analysis. - RETIREMENT: Analysis of current strategies and investment plans to help the client achieve his or her retirement goals. - INVESTMENTS: Analysis of investment alternatives and their effect on a client's portfolio.

(Complete amended pages in full, circle amended items and file with execution page (page 1).)

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Applicant:
Chatham Advisors, LLC

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02/11/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other Schedules)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

Chatham Advisors, LLC

IRS Empl. Ident. No.:

Item of Form (identify)	Answer
	<p>Chatham Advisors gathers required information through in-depth personal interviews. Information gathered includes a client's current financial status, future goals and attitudes towards risk. Related documents supplied by the client are carefully reviewed, including a questionnaire completed by the client, and a written report is prepared. Should a client choose to implement the recommendations contained in the plan, Chatham Advisors suggests the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion.</p> <p>Financial Planning recommendations are not limited to any specific product or service offered by a broker dealer or insurance company. All recommendations are of a generic nature.</p> <p>CONSULTING:</p> <p>Clients can also receive investment advice on a more limited basis. This may include advice on only an isolated area(s) of concern such as estate planning, retirement planning, reviewing a client's existing portfolio, or any other specific topic. Chatham Advisors also provides specific consultation and administrative services regarding investment and financial concerns of the client.</p> <p>Additionally, Chatham Advisors provides advice on non-securities matters. Generally, this is in connection with the rendering of estate planning, insurance, and/or annuity advice.</p>

(Complete amended pages in full, circle amended items and file with execution page (page 1).)

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Chatham Advisors, LLC

SEC File Number:
801- 69042

Date:
02/11/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other Schedules)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

Chatham Advisors, LLC

IRS Empl. Ident. No.:

Item of Form (identify)	Answer
	<p><u>FEE SCHEDULE</u></p> <p>PORTFOLIO MANAGEMENT SERVICES:</p> <p>The annual fee for portfolio management services will be charged as a percentage of assets under management, according to the following schedule:</p> <p><u>Assets under management Annual Fee (%)</u></p> <p>First \$1 million 1.00%</p> <p>Next \$1 million 0.70%</p> <p>All additional assets above \$2 million 0.50%</p> <p>Fees may be negotiable under special circumstances. Clients will be invoiced in advance at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value), of the client's account at the end of the previous quarter.</p> <p>FINANCIAL PLANNING/CONSULTING:</p> <p>Financial planning/consulting fees will be calculated based on a charge of \$175.00 per hour. The length of time it will take to provide a financial plan and or complete a consulting service will depend on the nature and complexity of the individual client's personal circumstances. An estimate for total hours will be determined at the start of the advisory relationship.</p> <p>Chatham Advisors requires a minimum financial planning and/or consulting fee of \$500. This minimum fee may be negotiable under certain circumstances.</p> <p>Fees are due and payable upon completion of the service. A retainer may be requested upon completion of Chatham Advisors' fact-finding session with the client. However, advance payment will never exceed \$500 for work that will not be completed within six months.</p>

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02/11/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other Schedules)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

Chatham Advisors, LLC

IRS Empl. Ident. No.:

Item of Form (identify)	Answer
	<p>GENERAL INFORMATION ON FEES:</p> <p>The fee charged is calculated as described above and is 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 (Section 205(a)(1) of the Advisers Act). In certain circumstances, all fees and account minimums may be negotiable.</p> <p>A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement.</p> <p>All fees paid to Chatham Advisors for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without the services of Chatham Advisors. In that case, the client would not receive the services provided by Chatham Advisors which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and the fees charged by Chatham Advisors to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.</p> <p><u>Proxy Disclosure</u></p> <p>Advisory clients may elect to delegate their proxy voting authority to Chatham Advisors. Alternatively, clients may, at their election, choose to receive proxies related to their own accounts, in which case Chatham Advisors may consult with clients as requested. When Chatham Advisors has discretion to vote proxies of its clients, it will vote those proxies in the best interests of its clients and in accordance with Chatham Advisors established policies and procedures. (With respect to ERISA accounts, Chatham Advisors will vote proxies unless the</p>

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1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Chatham Advisors, LLC		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
4.B.(8)	<p>Clients may obtain a copy of Chatham Advisors' complete proxy voting policies and procedures by contacting Chatham Advisors directly. Clients may request, in writing, information on how proxies for his/her shares were voted. If any client requests a copy of Chatham Advisors' complete proxy policies and procedures or how Chatham Advisors voted proxies for his/her account(s), Chatham Advisors will promptly provide such information to the client.</p> <p><u>OTHER SOURCES OF INFORMATION</u></p> <p>Chatham Advisors utilizes proprietary research processes in developing and implementing its investment strategies.</p>	
5.	<p><u>EDUCATION AND BUSINESS STANDARDS</u></p> <p>Advisory persons associated with Chatham Advisors must possess, minimally, a college degree and/or appropriate business experience and all required licenses.</p>	
6.	<p><u>EDUCATION AND BUSINESS BACKGROUND</u></p> <p>MALCOLM M. TREVILLIAN BORN: 1956</p> <p>EDUCATION:</p> <p>Graduated, Furman University, Greenville, SC, 1978 BA in Independent Study with an emphasis on Economics and Biology.</p> <p>EMPLOYMENT HISTORY:</p> <p>President, Chatham Advisors, LLC 03/2008 to Present.</p> <p>Investment Advisor Representative, Verity Investments 10/2008 to Present.</p> <p>President, Director, Chapel Hill Investment Advisors, Ltd. 01/2004 to Present.</p> <p>Director, Comperio Retirement Consulting, Inc. from 05/06 to Present.</p>	

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1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Chatham Advisors, LLC		IRS Empl. Ident. No.:
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8.C.(a),(b),(c)	<p>Senior Portfolio Manager and Analyst, Franklin Street Partners, Inc., Chapel Hill, NC 06/94 to 12/03. Served on the firm's corporate Board of Directors.</p> <p>Mutual Fund and Institutional Portfolio Manager, First Union Capital Management Group, Charlotte, NC, 06/86 to 06/94.</p> <p>EXAMINATIONS AND PROFESSIONAL DESIGNATIONS:</p> <p>Chartered Financial Analyst (CFA), 09/89 Certified Financial Planner (CFP), 06/85 Chartered Market Technician (CMT), 06/06</p> <p><u>AFFILIATION WITH VERITY INVESTMENTS</u></p> <p>Chatham Advisors is affiliated with Verity Investments, an investment company providing investment advisory services, brokerage services, banking products, employer plan services and 403(b) plans. Chatham Advisors pays Verity Investments a portion of fees collected each quarter. Direct services provided by Verity include: office space, supplies, reception and meeting space, compliance oversight research and e-mail services. Indirect services include the ability to work and share investment ideas with seasoned, like-minded investment professionals. In addition to being a principal of Chatham Advisors, Malcolm Trevillian is also an employee of Verity Investments and serves on Verity Investment's Asset Management Committee. In his capacity as a Verity employee, Malcolm Trevillian will also serve clients of Verity Investments.</p> <p>Contact information for Verity Investments is as follows: 3100 Tower Boulevard, Suite 808 Durham, NC 27707 Telephone: (919) 490-6717 Toll-free: (800) 247-6717 Fax: (800) 489-8939 Web: www.verityinvest.com</p>	

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9.E.	<p><u>PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS</u></p> <p>Chatham Advisors has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. Chatham Advisors' Code of Ethics describes the firm's fiduciary duties and responsibilities to clients, and sets forth Chatham Advisors' practice of supervising the personal securities transactions of supervised persons with access to client information. Individuals associated with Chatham Advisors may buy or sell securities for their personal accounts identical to or different than those recommended to clients. It is the expressed policy of Chatham Advisors that no person employed by Chatham Advisors shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on the investment decisions of advisory clients.</p> <p>To supervise compliance with its Code of Ethics, Chatham Advisors requires that anyone associated with this advisory practice with access to advisory recommendations provide annual securities holdings reports and quarterly transaction reports to the firm's Chief Compliance Officer. Chatham Advisors requires such access persons to also receive approval from the Chief Compliance Officer prior to investing in any IPO's or private placements (limited offerings).</p> <p>Chatham Advisors requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. Chatham Advisors' Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. Any individual not in observance of the above may be subject to discipline.</p> <p>Chatham Advisors will provide a complete copy of its Code of Ethics to any client upon request to the Chief Compliance Officer at Chatham Advisors' principal address.</p>

(Complete amended pages in full, circle amended items and file with execution page (page 1).)

**Schedule F of
FORM ADV
Continuation Sheet for Form ADV Part II**

Applicant:
Chatham Advisors, LLC

SEC File Number:
801- 69042

Date:
02/11/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other Schedules)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

Chatham Advisors, LLC

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10.	<p><u>CONDITIONS FOR MANAGING AN ACCOUNT</u></p> <p>PORTFOLIO MANAGEMENT SERVICES:</p> <p>Chatham Advisors requires a minimum portfolio size of \$200,000 for Portfolio Management Services clients. This account size is negotiable under certain circumstances.</p> <p>Please refer to Item 1.D. of this Schedule F narrative for complete detail.</p> <p>FINANCIAL PLANNING/CONSULTING SERVICE:</p> <p>Chatham Advisors requires a minimum fee of \$500 for Financial Planning and/or Consulting Service clients. This fee is negotiable under certain circumstances.</p> <p>Please refer to Item 1.D. of this Schedule F narrative for complete detail.</p>
11.A..	<p><u>REVIEWS AND REVIEWERS OF ACCOUNTS</u></p> <p>PORTFOLIO MANAGEMENT SERVICES:</p> <p>While the underlying securities within Portfolio Management Services accounts are continuously monitored, these accounts are reviewed at least monthly by Malcolm Trevillian, President of Chatham Advisors. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.</p>

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11.B.	<p><u>REGULAR REPORTS PROVIDED TO CLIENTS</u></p> <p>PORTFOLIO MANAGEMENT SERVICES:</p> <p>In addition to the monthly statements and confirmations of transactions that Portfolio Management Services clients receive from their broker dealer, Chatham Advisors will provide quarterly reports summarizing account performance, balances and holdings.</p> <p>FINANCIAL PLANNING/CONSULTING SERVICES:</p> <p>These client accounts will receive reports as contracted for at the inception of the advisory relationship.</p>
12.A.(1) & 12.A.(2)	<p><u>INVESTMENT DISCRETION</u></p> <p>For discretionary clients, Chatham Advisors requests that it be provided with written authority to determine which securities and the amounts of securities that are bought or sold.</p> <p>Any limitations on this discretionary authority shall be included in this written authority statement. Clients may change/amend these limitations as required. Such amendments shall be submitted in writing.</p>

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12.B.	<p><u>DIRECTED BROKERAGE - BROKERAGE RECOMMENDATIONS</u></p> <p>PORTFOLIO MANAGEMENT:</p> <p>Clients of Chatham Advisors utilize the brokerage and custody services of Charles Schwab & Company. Chatham Advisors believes that Charles Schwab & Company has and will continue to provide excellent care and best execution of client accounts and transactions. Chatham Advisors also believes that Charles Schwab & Company has sufficient financial strength to safeguard client assets.</p> <p>It should be understood that Chatham Advisors does not have control over commission rates at Charles Schwab & Company on behalf of individual client, that a disparity in commission charges may exist between the commissions charged to other clients. Client transaction costs are determined by Charles Schwab & Company. The costs are based upon the amount of assets in custody and whether the client has elected to receive electronic communication in lieu of paper.</p> <p>It should also be understood that best execution may not be achieved by Charles Schwab & Company. However, Chatham Advisors will monitor service and trade executions and recommend another broker/custodian to clients if it feels that better service and execution can be achieved elsewhere. The factors considered by Chatham Advisors when making this recommendation are the broker's ability to provide professional services, Chatham Advisors experience with the broker, the broker's reputation, and the broker's financial strength, among other factors. Chatham Advisors financial planning clients may use any broker or dealer of their choice.</p> <p>Clients may request that brokerage transactions be directed to a particular broker or dealer. However, if Chatham Advisors believes that the use of that broker dealer would hinder Chatham Advisors in meeting its fiduciary obligations, Chatham Advisors will not be able to accept the account or execute the transactions.</p> <p>Chatham Advisors participates in the Schwab Institutional (SI) services program offered to independent investment advisers by Charles Schwab & Company, Inc., an NASD registered broker dealer. As part of the SI program, Chatham Advisors receives benefits that it would not receive if it did not offer investment advice.</p>

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	<p>These benefits include: access to client statements and tax reports via the Internet; access to a trading desk serving SI participants exclusively; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; ability to have investment advisory fees deducted directly from client account; access to an electronic communication network for client order entry and account information; receipt of compliance publications; and access to mutual funds which generally require significantly higher minimum initial investments or are generally available only to institutional investors. The benefits received through participation in the SI program do not depend upon the amount of transactions directed to Charles Schwab & Co., Inc.</p>

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