



PART 2A OF FORM ADV: FIRM BROCHURE

Item 1: Cover Page

FORM ADV

Firm Brochure

Part 2A

Dated: January 31, 2012

**Locust Capital Management, LLC
1629 Locust Street
Philadelphia, PA 19103
215-735-9530**

www.locustcap.com

This brochure provides information about the qualifications and business practices of Locust Capital. If you have any questions about the contents of this brochure, please contact us at 215-735-9530.

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 Locust Capital also is available on the SEC's website at:

www.adviserinfo.sec.gov

Item 2: Material Changes

No Material Changes have occurred since our last ADV submission in February 2011.

Item 3: Table of Contents

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Item 4: Advisory Business

Locust Capital Management, LLC (Locust Capital), a privately owned investment advisory firm, provide its clients (i.e. individuals, trusts, and other business entities), with financial planning and non-discretionary investment advisory services.

Advisory Services

Locust Capital provides asset management services utilizing a six-step asset management process.

1. Determine and quantify the financial goals specified by the client and find the investment rate of return and funding necessary to achieve the financial goals.
2. Analyze the client's current investment plan to determine if it meets the rate of return and funding requirements identified in step 1 above.
3. Design an optimal portfolio given the risk tolerance stated by the client to meet the appropriate rate of return and funding.
4. Formalize a written Investment Policy Statement (IPS) that describes the optimal portfolio and the investment implementation strategy, and assist the client in the approval and adoption of the IPS.
5. Implement the IPS using a preferred custodian and securities recommended to and approved by the client.
6. Monitor and supervise the investment strategy and portfolio on an ongoing and continuous basis. Recommend portfolio rebalancing when needed.

The asset management services will be based on the information supplied by the client. The client is not obligated to follow the recommendations provided by Locust Capital.

Locust Capital will recommend an independent custodian broker/dealer to assist in the management of the assets. Locust Capital does not and will not have custody of the client's funds or securities.

The client can determine to engage Locust Capital to provide non-discretionary investment advisory services on a fee-only basis.

Financial Planning

Locust Capital offers financial planning services in addition to asset management services. These services include the analyses of:

- Personal financial statements • Budgets and cash flows • Investment strategies and plans
- Retirement goals and objectives • Family educational needs • Risk management and insurance needs • Impact of taxation • Alternative strategies for estate needs
- Professional/business strategies, including stock options, deferred compensation, etc.

Financial planning services provided to the client are under a separate Financial Planning Agreement. The fee to be paid for the financial planning services will be estimated and provided to the client prior to the approval of the engagement. In the event the client terminates Locust Capital consulting services, the balance of the fee (if any) shall be refunded to the client.

The financial planning services will be based on the information supplied by the client. Locust Capital shall not be required to verify any information received from the client or from the client's other professionals, if any, and is expressly authorized to rely thereon. Each client is advised that their responsibility to notify Locust Capital of any changes to the financial situation or investment objectives and will impact the recommendations set forth.

Locust Capital primarily recommends no-load institutional mutual funds. These funds are freely traded and liquid and are available for sale from other firms (share class may be different).

Insurance and Estate Needs Analysis

Clients may request help from Locust Capital Management LLC to determine their estate and life and health insurance needs. Locust Capital Management LLC can assist in recommending solutions to fulfill the needs of its clients and may receive a planning fee for this advice.

401K/ Pension Advisory

Clients may request Locust Capital Management LLC to advise on their 401K/ Pension Plans. Locust Capital Management LLC provides advisory services on these Plans and charges a fee to oversee the Plan investment choices and allocations. Fees are consistent with other advisory services provided by Locust Capital. An independent Third Party Administrator (TPA) is also hired to provide all other operational/ administrative services to the Plan.

Advisor Support

Locust Capital Management LLC is developing a process to support Third Party Advisors with back office services. Utilizing our operations and reporting capabilities, we can support advisors who want to focus solely on business development and client relations.

Item 5: Fees and Compensation

Locust Capital is a fee-only advisor. The current fee schedule is as follows:

Assets Under Management	Annual Fee
On First \$500,000	1.50%
On Next \$1.5 Million	0.70%
Next \$3 Million	0.65%
Above \$5 Million	0.40%
Above \$10 Million	Negotiable

The annual investment advisory fee shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter. However, Locust Capital Management, in its sole discretion, may charge a lesser investment management fee based upon certain criteria (i.e. future earning potential, anticipated assets, total dollar amount of assets to manage, related accounts, type of account, and negotiations with clients, etc.). Multiple accounts from the same investor, family, or otherwise related parties, may be combined for the purposes of calculating the total fee.

Investment advisory fees may be paid directly by the client or withheld by the custodian holding the client's funds and securities. Three criteria must be met when payment is withheld by the custodian: 1. the client must provide written authorization permitting the fees to be paid directly from the client's account held by the custodian; 2. Locust Capital Management LLC must send an invoice showing the amount of the fee, value of the client's assets on which the fee is determined, and the specific manner in which the fee is calculated; and 3. the custodian agrees to send to the client a statement, at least quarterly, indicating the amounts disbursed from the account including the amount of the advisory fees paid to Locust Capital Management LLC.

The client may terminate its relationship with Locust Capital by submitting a written notice in accordance with the Investment Advisory Agreement. Upon receipt of this notice, Locust Capital will terminate the services provided and refund fees paid in advance by prorating the fees paid to date.

Locust Capital will also create relationships with other independent firms/persons that are properly registered as an investment advisor representative and can refer clients. Locust Capital will compensate these registered referral sources for the services provided under the client agreement (Investment Advisory or Financial Planning). The compensation rate to these registered referral sources is generally 20 percent of the fee paid by the client, subject to mutual adjustment between Locust Capital Management LLC and these registered referral sources. This fee sharing arrangement must be disclosed in written form to the client.

Locust Capital will charge a fee (fixed fee and/or hourly) for financial planning services. These fees are negotiable, but generally range between \$500 (minimum) to \$25,000 on a fixed fee basis and \$250 to \$500 on an hourly basis, depending on the complexity and scope of the engagement. Fixed fees are due 1/2 at the time the financial planning agreement is signed, but not to exceed \$1,200, and the remainder is due upon the delivery of such plan. If the plan is not delivered in less than six months from the date the agreement was signed, the client will receive a refund of the partial payment and entire payment to be due upon delivery of the plan.

Locust Capital recommends only institutional funds classes with no loads/commissions attached. However, Clients are subject to mutual fund expenses (to cover the operations of the fund) expressed as an expense ratio as well as transaction fees charged by the custodian.

Advisory Support Services fee is negotiable and a function of time allocated to the Third Party Client (still in development).

Item 6: *Performance-Based Fees* and Side-By-Side Management

This Section is not Applicable as Locust Capital does not accept performance based fees.

Item 7: Types of *Clients*

Locust Capital clients include:

- Individuals
- Pension and profit sharing plans
- Trust and estates
- Charitable organizations
- Corporations and business entities.

We do not have stated minimum requirements for establishing a relationship.

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

Locust Capital utilizes a core satellite approach to portfolio construction. Our portfolios range from conservative (20% Equities- 80% Fixed Income securities) to aggressive (80% Equities- 20% Fixed Income securities). The portfolio construction also focuses on liquidity, preservation of capital with a focus on tax efficiency.

Locust Capital provides ongoing management of assets by monitoring the accounts against the client's overall investment objectives. At least annually, Investment Advisors will conduct an in-depth review of the client's account versus their approved Investment Policy Statement. Reallocation or rebalancing can occur during that time. Any material changes to the client's investment objectives or general market conditions can trigger additional reviews and investment recommendations. Financial Planning clients do not receive ongoing monitoring of assets.

Clients who use Locust Capital Management LLC for ongoing asset management services will receive written portfolio reviews quarterly. Clients who open accounts with Locust Capital Management will receive trade confirmations each time a transaction takes place from the custodian broker dealer. Clients will also receive general accounts statements from the custodian broker dealer or account manager on at least a quarterly basis. Financial Planning clients will receive a written plan that is generated by Locust Capital.

As described above, our portfolios focus on liquidity where we invest in marketable securities, primarily mutual funds governed by The Investment Act of 1940. All securities, regardless of liquidity, are subject to risk. Risks include, but are not limited to the following: market risk, credit risk and interest rate risk.

Item 9: Disciplinary Information

There are no legal or disciplinary events or issues with respect to Locust Capital.

Item 10: Other Financial Industry Activities and Affiliations

Charles Schwab and Co., Inc (Schwab)

Schwab is the largest discount broker-dealer in the nation. Schwab developed the Schwab Institutional Program in 1987. This program provides registered investment advisors, such as Locust Capital, with a number of important services. These offerings include access to an unlimited number of mutual funds from well known fund families, institutional separate account managers, exchange traded funds, individual securities, and corporate and municipal bonds. The mutual funds are offered at net asset value so Locust Capital clients pay no commissions. Schwab also provides state of the art electronic back office systems for reporting and record keeping. Schwab will act as the primary custodian for Locust Capital clients. They currently have billions of assets in the Institutional Program and rank among the largest broker-dealers providing execution, clearing, and custody services to the RIA community.

Other Affiliations

Locust Capital will also create and enter into a written relationship with other independent firms/persons who are properly registered as an investment advisor representative and can refer clients. Locust Capital will compensate these registered referral sources for the services provided under the client agreement (Investment Advisory or Financial Planning). The compensation rate to these registered referral sources is generally 20 percent of the fee paid by the client, subject to mutual adjustment between Locust Capital and these registered referral sources. This fee sharing arrangement must be disclosed in written form set forth in Part II of Form ADV to the client prior to signing the client agreement and does not result in additional fees paid by the client.

Independent Third Party Administrator (TPA)

Locust Capital will work alongside a TPA advising on a 401K/ Pension Plan. The TPA provides all operational/ administrative services to the Plan. The TPA collects the advisory fee and passes it on to Locust Capital Management, LLC.

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

Locust Capital or a related party may buy or sell the same publicly traded securities or mutual funds that are similar to what is recommended in a client account. Unless there is a material ownership, Locust Capital will not inform clients of these transactions. Each associate of Locust Capital is obligated to follow the firm's Code of Ethics.

In accordance with Section 204A of the Investment Advisors Act of 1940, Locust Capital maintains and enforces written policies designed to prevent the misuse of material non-public information by Locust Capital or any person associated.

The Firm's Code of Ethics is available to clients upon request.

Item 12: Brokerage Practices

Locust Capital will recommend custodial services for all or a portion of our client's assets (e.g. Schwab). Any transactions will be directed by the custodian broker/dealer and will be subject to transaction fees. The transaction fees are competitive and Locust Capital receives no compensation for these services.

Research obtained from all broker/dealers and investment advisors with whom Locust Capital has a relationship may be used to provide consulting services to all accounts and not just those accounts using such broker/dealer or investment advisors.

Locust Capital may enter into written relationships with other independent firms/persons who are properly registered as an investment advisor representative and can refer clients. Locust Capital will compensate these registered referral sources for the services provided under the client agreement (Investment Advisory or Financial Planning). The compensation rate to these registered referral sources is generally 20 percent of the fee paid by the client, subject to mutual adjustment between Locust Capital and these registered referral sources. This fee sharing arrangement must be disclosed in written form set forth in Part II of Form ADV to the client prior to signing the client agreement and does not result in additional fees paid by the client.

Locust Capital provides ongoing management of assets by monitoring the accounts against the client's overall investment objectives. At least annually, Investment Advisors will conduct an in-depth review of the client's account versus their approved Investment Policy Statement. Reallocation or rebalancing can occur during that time. Any material changes to the client's investment objectives or general market conditions can trigger additional reviews and investment

recommendations. Financial Planning clients do not receive ongoing monitoring of assets.

Clients who use Locust Capital Management LLC for ongoing asset management services will receive written portfolio reviews quarterly. Clients who open accounts with Locust Capital Management will receive trade confirmations each time a transaction takes place from the custodian broker dealer. Clients will also receive general accounts statements from the custodian broker dealer or account manager on at least a quarterly basis. Financial Planning clients will receive a written plan that is generated by Locust Capital.

Item 13: Review of Accounts

Locust Capital downloads client accounts daily into our monitoring and performance system. We send quarterly Performance Reports which provides detailed information on each of our clients' account.

Item 14 *Client* Referrals and Other Compensation

Locust Capital will also create relationships with other independent firms/persons that are properly registered as an investment advisor representative and can refer clients. Locust Capital will compensate these registered referral sources for the services provided under the client agreement (Investment Advisory or Financial Planning). The compensation rate to these registered referral sources is generally 20 percent of the fee paid by the client, subject to mutual adjustment between Locust Capital and these registered referral sources. This fee sharing arrangement must be disclosed in written form to the client.

Item 15: Custody

Locust Capital Management LLC will recommend an independent custodian broker/dealer to assist in the management of the assets. Locust Capital Management LLC does not and will not have custody of the client's funds or securities.

Item 16: Investment Discretion

Locust Capital is a non-discretionary firm. Clients who use Locust Capital for ongoing asset management services execute a non-discretionary investment management agreement. Clients receive our recommendations and approve every trade prior to execution. Clients will receive trade confirmations each time a transaction takes place from the custodian broker dealer. Clients will also receive general accounts statements from the custodian broker dealer or account manager on at least a quarterly basis.

Item 17 Voting *Client* Securities

Locust Capital does not exercise voting authority regarding proxies solicited by, or with respect to, the issuers of securities held in the Client Accounts. Clients will receive proxies directly from the custodian or transfer agent.

Item 18 Financial Information

Not Required as we do not solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

Item 19 Requirements for State-Registered Advisers

Augustine Anton Repetto, MST, CFP®
Managing Member, Investment Committee

Date of Birth	May 30, 1973	
Formal Education	BSBA, Finance and Marketing, Georgetown University, 1995 MS, Taxation, Villanova University, 2006 Certified Financial Planner™, 2004 FINRA Series 7, 31, 55, 63, 65	
Business Background	Managing Member, Locust Capital Management LLC Registered Representative, Walnut Street Securities, Inc. Senior Vice President, Newport Capital Group LLC Senior Relationship Manager, Comprehensive Investment Solutions, LLC Senior Relationship Manager, CPA Investment Solutions, LLC Investment Representative, Morgan Stanley, Inc. Investment Representative, Deutsche Bank Alex. Brown, Inc.	August 2008 to Present March 2006 to August 2008 March 2006 to August 2008 September 2002 to March 2006 September 2002 to March 2006 March 2002 to September 2002 February 2001 to February 2002

William F. Casey, III
Managing Member, Chief Compliance Officer

Date of Birth	February 4, 1963	
Formal Education	BA, Economics/Finance, Lafayette College, 1985 MBA, Temple University, 1999	
Business Background	Managing Member, Locust Capital Management LLC Senior Managing Director, Treasurer, Residential Capital, LLC First Vice President, Treasurer, Merrill Lynch Inc. Senior Relationship Manager, Mellon Bank, N.A.	July 2009 to Present August 2004 to August 2008 June 1998 to August 2004 June 1994 to June 1998