

FORM ADV Uniform Application for Investment Adviser Registration
Part 2A: Investment Adviser Brochure and Brochure Supplements
Item 1: Cover Page

H/N MANAGEMENT, LLC

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SEC File # 801-70155

Firm CRD # 148181

March 2011

This brochure provides information about the qualifications and business practices of H/N Management, LLC. If you have any questions about the contents of this brochure, please contact us at the phone number listed above.

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. Please note, where this brochure may use the terms “registered investment adviser” and/or “registered”, registration itself does not imply a certain level of skill or training.

**Additional information about the firm is also available on the SEC’s website at
www.adviserinfo.sec.gov**

Item 2: Material Changes

Due to a series of recent changes in securities regulation, investment advisers are now required to deliver disclosure information in this new narrative format. This brochure incorporates much of the same information previously provided within the Form ADV Part II but with expanded disclosures designed to provide further information about the firm, its practices, and its personnel.

Material updates to the information contained within this brochure will be provided to clients on an immediate basis. This section is designed to reflect such changes in summary form. Questions regarding the new brochure and/or the information contained herein may be directed to the firm and its representatives.

Additional information about the firm and its representatives is also available on the SEC's website at www.adviserinfo.sec.gov.

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Item 4: Investment Advisory Business

Established on July 10, 2008 by Managing Member and Chief Compliance Officer Carl D. Hess; H/N Management, LLC (“H/N”) provides investment advisory services to individual clients, families, private equity partnerships, hedge funds, and real estate partnerships on a discretionary basis.

The firm’s principal service is providing fee-based investment advisory services as part of a “family office” service to individuals, families, trusts and other family entities. In addition to investment advisory and management services the firm offers trust and estate planning and tax services. The firm’s investment supervisory services are primarily provided to private equity partnerships, hedge funds, and real estate partnerships (collectively “clients”) in which the investments are largely managed by principals of the firm. The firm’s investment management strategy is implemented in conjunction with the clients’ investment objectives, risk tolerance level, liquidity needs, tax and/or legal implications and other concerns where applicable.

The firm generally uses a tactical allocation strategy aimed at reducing risk and increasing performance. Investment selections include exchange listed securities, over-the-counter securities, warrants, CDs, foreign issuers, corporate debt securities, United States government securities, options contracts on securities and commodities, and interests in partnerships investing in real estate, limited partnerships and private equity funds. The firm may also invest in specific stocks to increase sector weighting and/or dividend potential and employ cash positions as a possible hedge against market movement which may adversely affect the portfolio. The firm may also sell 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.

All services are provided pursuant to one or more written agreements setting forth the terms and conditions of services rendered. As of March 2011, the firm manages approximately \$45 million in client funds

Item 5: Fees and Compensation

Pursuant to the written agreement, partnerships and other entities under management generally pay a fixed fee of up to \$90,000 per year, payable quarterly and in advance, for management, administrative services, and clerical expenses. The fixed fee may be increased or decreased at the sole discretion of the firm to reflect the share of the firm’s resources devoted to the management of the client's account (subject to the condition that the fixed fee cannot be increased to exceed 1% of the client's account).

In addition to the fixed fee, the firm and/or its principals may receive a carried interest as manager of the partnership or other entity. The carried interest will be tied to each individual portfolio investment by the entity, and the gain attributable to the carried interest related to such investment will be distributed to the firm promptly following the sale or other liquidation of such investment. The firm will be entitled to a carried interest equal to 5% of the profits realized by the partnership on *Ordinary Investments*, defined as investments other than in partnership or other entities and the firm will be entitled to a carried interest equal to 10% of the profits realized by the partnership on *Direct Investments*, defined as investments in partnerships or other entities. For more information on the provisions of this fee please refer to the advisory agreement and/or private placement memorandum.

These fees may be negotiable under certain circumstances, at the sole discretion of the firm. Management fees are directly debited from the client accounts.

All accounts will incur additional expense from brokerage-based activities. Accordingly clients should be aware that all custodial and execution fees remain separate and distinct from those fees charged by the firm for its asset management services.

The firm and/or the client may terminate any account agreement, in whole or in part, at any time with 30 days written notice. Upon termination, any fees paid in advance will be prorated to the date of termination and any excess shall be refunded to the client. The advisory agreement with the firm remains non-transferable unless consented-to in writing by the client.

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

Qualified investors as defined under Rule 205-3 of the Investment Adviser's Act may enter into advisory agreements where the firm is entitled to a performance fee as part or all of its compensation. Qualified investors must meet the following requirements: (a) have at least \$750,000 in under management with the firm; or (b) have a net worth of at least \$1,500,000 in order to enter into performance based compensation agreements with the firm. Suitability will be determined through the use of a detailed suitability questionnaire and follow up due diligence inquiries. The firm, in its sole discretion, may reject any client application where the above financial standards are not met and/or where it reasonably believes the investor lacks the necessary financial sophistication, those who purport to not fully understand the firm's method of compensation and the nature of its risks, or those who are otherwise deemed to be unsuitable for such an arrangement.

The firm will engage in "side by side" management of client accounts, in which investment opportunities, acquisitions and liquidations will be allocated in a manner which fairly observes the relative sizes and objectives of the different accounts.

Item 7: Types of Clients

The firm provides investment advisory services to private equity partnerships, hedge Funds and real estate partnerships. Principals of the firm also act as Managers of several private investment entities organized as limited liability companies as follows:

NAME	MANAGER
<i>HWI, LLC</i>	Carl D. Hess
<i>Anadon Construction, LLC</i>	Carl D. Hess
<i>HEM Private Equity Fund 2000, LLC</i>	Carl D. Hess and David R. Nelson, Jr.
<i>HEM Private Equity Fund 2005, LLC</i>	Carl D. Hess and David R. Nelson, Jr.
<i>Nelson Development Company, LLC</i>	David R. Nelson, Jr.
<i>Buckhorn Partners, LLC</i>	David R. Nelson, Jr.
<i>HEM Private Equity Fund 2008</i>	H/N Management, LLC
<i>The Restaurant Collective, LLC</i>	Carl D. Hess and David R. Nelson, Jr.
<i>H/N Management, LLC</i>	Carl D. Hess and David R. Nelson, Jr.
<i>HEM Partners Fund, LLC</i>	H/N Management, LLC

The firm requires clients to maintain a minimum account size of \$10,000,000.00 for Investment Management services. This minimum account size remains negotiable, under certain circumstances, and at the sole discretion of the firm.

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

The firm's research methods include charting, fundamental, cyclical and technical analysis.

Charting prepares a technical analysis using diagrams to illustrate various patterns or progressions in market or account movement.

Fundamental analysis is an assessment of various factors including, but not limited to security price, book value, industry and market outlook and other characteristics of the security.

Cyclical analysis is a time based assessment which incorporates past and present performance to determine future value.

Technical analysis employs the use of advanced data aggregation techniques to define certain trends of progressions in market place activity.

Risks are controlled through asset allocation strategies and procedures to monitor account performance on an ongoing basis.

The Company's main sources of research information include financial newspapers and magazines, annual reports, prospectuses, filings with the United States Securities and Exchange Commission, company press releases, and research materials prepared by others.

Investing in securities involves a certain amount of risk of loss that clients should be prepared to bear. Where short term trading methods are employed, the cost of more frequent trades can often incur more expense than that of a more conservative or long term purchase approach. Questions regarding these risks and/or increased costs may be directed to the firm and its representatives.

Item 9: Disciplinary Information

Rule 206(4)-4 of the Investment Advisers Act of 1940 requires investment advisers to provide clients with disclosure as to any legal or disciplinary activities deemed material to the client's evaluation of the adviser. Please note, neither the firm nor its personnel have any disciplinary, regulatory, criminal, civil, or otherwise reportable history to disclose at this time.

Item 10: Other Financial Industry Activities and Affiliations

As previously mentioned in Item 5, and in addition to their advisory duties, certain representatives of the firm are separately licensed as registered representatives of LEC Investment Corp, a FINRA registered broker-dealer. In consideration for their services on behalf of the broker dealer, such individuals will receive additional compensation.

The firm has a fiduciary obligation to place its clients' interests first. However, clients should be aware that the receipt of additional compensation itself can create a conflict of interest, and may affect the judgment of these individuals when making investment recommendations. In order to properly handle such potential conflicts of interest, the firm has adopted a Code of Ethics. Please see Item 11 (below) for further discussion related to the firm's Code of Ethics.

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

As required by Rule 204A-1 of the Investment Advisers Act of 1940, the firm has adopted a Code of Ethics that sets forth the basic policies of ethical conduct for all managers, officers, and employees of the firm. The Code of Ethics describes the firm's fiduciary duties and obligations to clients, and sets forth the firm's practice of supervising the personal securities transactions of employees who maintain access to client information. A copy of the Code of Ethics will be made available upon request.

The firm and/or its representatives may purchase or sell investments for their personal accounts that they have similarly recommended to clients. Representatives may also maintain holdings within the funds they manage. Accordingly, the firm collects and maintains records of securities holdings and transactions made by employees. The firm reviews the personal trading practices of its employees to identify and resolve any potential or realized conflicts of interest. Questions regarding these practices may be addressed directly with firm management.

Item 12: Brokerage Practices

The firm maintains investment discretion to place transactions and select brokers without prior approval of clients. Such authority is subject to the terms and conditions of the written agreement.

Where brokerage transactions will incur additional cost to the underlying account, the firm seeks to obtain the most favorable net results for client's price, execution quality, services and commissions. In accordance with Section 28(e) of the Securities Exchange Act of 1934, the firm may cause an account to pay commission rates in excess of those another broker-dealer would have charged for effecting the same transaction, if the firm determines in good faith, that the commissions paid is reasonable in relation to the value of the brokerage and other services provided.

The firm has a duty to seek best execution pricing for client transactions. While best execution is difficult to define and challenging to measure, there is some consensus that it does not solely mean the achievement of the best price on a given transaction. Rather, it appears to be a collective consideration of factors concerning the trade in question. Such factors include the security being traded, the price of the trade, the speed of the execution, apparent conditions in the market, and the specific needs of the client.

The firm's primary objective when placing orders for the purchase and sale of securities for client accounts is to obtain the most favorable net results taking into account such factors as;

- price,
- size of order,
- difficulty of execution,
- confidentiality, and
- skill required of the broker.

The firm executes its transactions generally through LEC Investment Corp., an unaffiliated broker-dealer. The firm may also use other broker-dealers, which it chooses based on the following:

- the broker's capital depth,
- the broker's market access,
- the nature and character of the markets for the security to be purchased or sold,
- the execution,
- clearance and settlement capabilities of the broker selected and others considered, and
- the reasonableness of the commission or its equivalent for the specific transaction.

Based on the above criteria, the firm may not necessarily pay the lowest commission or commission equivalent as specific transactions can involve specialized services on the part of the broker. This would justify higher commissions (or their equivalent) than other transactions requiring routine services.

If the firm is directed by a client to direct trades to a broker dealer other than the custodian typically used by the firm for trade execution, it must be noted that the firm's ability to negotiate commissions (where applicable), obtain volume discounts, or otherwise obtain best execution may not be as favorable as might otherwise be obtained.

All accounts are managed separately. The firm does not employ any blocking or bunching techniques in the management of accounts. In addition, the firm does not receive any research, products, client referrals, or other services from a broker-dealer or third party in connection with client-based securities transactions (i.e. "soft dollars").

Item 13: Review of Accounts

Accounts will be monitored on an ongoing basis by the firm's managing principals. Accounts will be reviewed more frequently as necessary to respond to significant changes in client circumstances or changes in market conditions. Triggering factors to warrant more in depth review could include the following;

- Awareness of a change in investment objective

- change in market conditions
- change in the client's financial status
- re-balancing of assets to maintain proper asset allocation
- other activity discovered as the account is normally reviewed.

Clients will receive written brokerage or custodial statements each month. Clients are encouraged to notify the firm of changes to the client's personal finances, especially those changes that might adversely affect the investment plan/strategy.

The firm will provide quarterly holdings reports in addition to the monthly statements that the client receives from the broker-dealer or custodian. The reports will generally include a portfolio appraisal, realized and unrealized gains/losses, income and expenses, contributions and withdrawals, and performance history.

Item 14: Client Referrals and Other Compensation

The firm does not compensate others for client referrals. Please see Item 10 for further information regarding additional compensation.

Item 15: Custody

In cases where the firm and/or its principals function as general partner or manager of a partnership or private fund, the firm maintains virtually complete control over the assets. Accordingly, the firm maintains full compliance with Rule 206(4)-2 of the Investment Advisers Act of 1940.

Item 16: Investment Discretion

The firm maintains discretionary authority over the selection and amount of securities to be bought or sold in client accounts without obtaining prior consent or approval from clients. 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 the firm. Discretionary authority will only be authorized upon full disclosure to the client. The granting of such authority will be evidenced by the client's execution of an agreement containing all applicable limitations to such authority. All discretionary trades made by the firm will be in accordance with each client's investment objectives and goals.

Item 17: Voting Client Securities

The firm does not maintain any voting or proxy rights with respect to corporate actions related to such assets. Clients will vote their own proxies, which they will receive

directly from their custodian or broker-dealer of record. Clients may contact firm management with questions.

Item 18: Financial Information

Pursuant to Rule 206(4)-4 of the Investment Advisers Act of 1940, investment advisers are required to disclose certain information about their business practices that might serve as material to the client's decision in choosing an investment adviser.

As of the date of this filing, the firm does not maintain any financial hardships or other conditions that might impair its ability to meet its contractual obligations to clients.

H/N MANAGEMENT, LLC

Carl D. Hess, Member

David R. Nelson, Jr. Member

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Item 2: Education and Background and Business Experience

Carl D. Hess (born 1974), Member/Investment Adviser Representative

Education:

- University of Alabama, B.A, Urban Planning, 1998

Licenses/Professional Designations:

- Series 7 & 66 examinations (CRD#5530772)

Business Background

- July 2008 to present, H/N Management, LLC, Manager/Member, Investment Adviser Representative
- June 2008 to present, LEC Investment Corp., Registered Representative
- Oct. 2007 to present, Crowne Partners, Inc., Portfolio Mgr - Private Placements
- July 1998 to present, Anadon Construction, LLC, Member

Item 3: Disciplinary Information

Mr. Hess does not have any legal, civil, criminal, regulatory, or disciplinary history to report at this time.

Items 4 & 5: Other Business Activities & Additional Compensation

Mr. Hess is separately licensed as a registered representative with LEC Investment Corp, a FINRA registered broker-dealer. In this capacity, Mr. Hess may be involved in the sale of securities and receive additional compensation for those transactions.

Mr. Hess is also involved in real estate development and construction through Anadon Construction, LLC. Accordingly, Mr. Hess may share in any profits received by this firm. Mr. Hess is also involved in operating a restaurant business as the CEO of The Restaurant Collective, LLC.

Item 6: Supervision

As Chief Compliance Officer, Carl D. Hess remains responsible for the supervision of each employee of the firm. This supervision extends to reviewing their business practices and monitoring the advice given to clients. Questions related to the activities of any employee may be directed to Mr. Hess at the phone number listed on the cover of this brochure supplement.

Item 2: Education and Background and Business Experience

David R. Nelson, Jr. (born 1974) Member/Investment Adviser Representative

Education:

- Vanderbilt University, B.E., Mechanical Engineering, 1997
- University of Michigan, M.B.A., Business Management, 2005

Licenses/Professional Designations:

- Series 7 & 66 examinations (CRD#5508130)

Business Background

- July 2008 to present, H/N Management, LLC Manager/Member/Investment Adviser Representative
- June 2008 to present, LEC Investment Corp., Registered Representative
- June 2005 to May, 2007, Nelson Development Co., Principal
- July 2006 to present, Crowne Partners, Inc., Development Manager

Item 3: Disciplinary Information

Mr. Nelson does not have any legal, civil, criminal, regulatory, or disciplinary history to report at this time.

Items 4 & 5: Other Business Activities & Additional Compensation

Mr. Nelson is also employed by Crowne Partners, LLC. Through Crowne Partners, Mr. Nelson is involved on a day to day basis with real estate development where he will acquire land for a real estate project, perform pre-development due diligence, secure the necessary financing for the project and develop and manage the property. Mr. Nelson spends approximately 75% of his time on these types of activities and receives additional compensation and expense reimbursement. Clients of H/N Management may be solicited to invest in these real estate partnerships where the investment is appropriate for the client's portfolio.

Item 6: Supervision

As Chief Compliance Officer, Carl D. Hess remains responsible for the supervision of each employee of the firm. This supervision extends to reviewing their business practices and monitoring the advice given to clients. Questions related to the activities of any employee may be directed to Mr. Hess at the phone number listed on the cover of this brochure supplement.