

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

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Name of Investment Adviser:

Backshore Capital, LLC

Address: (Number and Street)	(City)	(State)	(Zip Code)	Area Code: Telephone Number:
2 Palo Alto Square, Ste 200, 3000 El Camino	Palo Alto	CA	94306	(415) 810-7069

**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 governmental authority.**

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(Schedules 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.

FORM ADV**Part II - Page 2**

Applicant:

Backshore Capital, LLC

SEC File Number:

801-

Date:

6/30/2009

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 | <u>100%</u> |
| <input type="checkbox"/> | (2) | Manages investment advisory accounts not involving investment supervisory services | <u> % </u> |
| <input type="checkbox"/> | (3) | Furnishes investment advice through consultations not included in either service described above | <u> % </u> |
| <input type="checkbox"/> | (4) | Issues periodicals about securities by subscription | <u> % </u> |
| <input type="checkbox"/> | (5) | Issues special reports about securities not included in any service described above | <u> % </u> |
| <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 | <u> % </u> |
| <input type="checkbox"/> | (7) | On more than an occasional basis, furnishes advice to clients on matters not involving securities | <u> % </u> |
| <input type="checkbox"/> | (8) | Provides a timing service | <u> % </u> |
| <input type="checkbox"/> | (9) | Furnishes advice about securities in any manner not described above | <u> % </u> |

(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 type="checkbox"/> (2) Hourly charges | <input type="checkbox"/> (5) Commissions |
| <input 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).

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

- | | |
|--|---|
| <input checked="" type="checkbox"/> A. Equity securities | <input type="checkbox"/> H. United States government securities |
| <input checked="" type="checkbox"/> (1) exchange-listed securities | |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter | <input type="checkbox"/> I. Options contracts on: |
| <input type="checkbox"/> (3) foreign issues | <input checked="" type="checkbox"/> (1) securities |
| | <input type="checkbox"/> (2) commodities |
| <input type="checkbox"/> B. Warrants | <input type="checkbox"/> J. Futures contracts on: |
| <input 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 type="checkbox"/> E. Certificates of deposit | <input type="checkbox"/> K. Interests in partnerships investing in: |
| <input 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 checked="" type="checkbox"/> Charting | (4) <input type="checkbox"/> Cyclical |
| (2) <input type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input type="checkbox"/> Technical | |

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

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

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

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Applicant:

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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, 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 given to 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 | • formal education after high school |
| • year of birth | • 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 type="checkbox"/> (1) broker-dealer | <input type="checkbox"/> (7) accounting firm |
| <input type="checkbox"/> (2) investment company | <input type="checkbox"/> (8) law firm |
| <input 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.)

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

FORM ADV**Part II - Page 5**

Applicant:

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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 sells for itself securities that it also recommends 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 supervisory 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 conditions 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 accounts, 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 see Schedule F attached.

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

Please see Schedule F attached.

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

Applicant:

Backshore Capital, LLC

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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:

(1) securities to be bought or sold?

Yes No

☒ ☐

(2) amount of the securities to be bought or sold ?

Yes No

☒ ☐

(3) broker or dealer to be used ?

Yes No

☐ ☒

(4) commission rates paid?

Yes No

☐ ☒

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 products 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

☒ ☐

B. directly or indirectly compensates any person for client referrals?

Yes No

☒ ☐

(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:	SEC File Number:	Date:
Backshore Capital, LLC	801-	6/30/2009

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Backshore Capital, LLC		IRS Empl. Ident.No.:
Item of Form (identify)	Answer	
Item 1. D.	<p>ADVISORY SERVICES</p> <p>Backshore Capital, LLC, ("Backshore," or the "Adviser") provides investment advisory or sub-advisory services to various types of clients, including pension and profit-sharing plans ("client(s)"). Covered Option Writing Strategies, (the "Strategy") generally seek to maximize realized gains through the implementation of covered option writing. The primary objective is to maximize realized gains on certain equity securities by writing covered options on such securities in order to create cash flow that may be disbursed to clients or reinvested in client accounts.</p> <p>The Strategy is to recommend the purchase of common stocks of a limited number of large- and mid-cap companies with strong financial fundamentals and an adequate level of implied volatility on which Backshore may sell or "write" related covered call options against all or a portion of the shares of stock the client owns. The Strategy focuses generally on industry leaders in market sectors such as financial services, consumer goods, manufacturing, natural resources, and technology. In addition, the Strategy may from time to time recommend the purchase of a stock not in the market sectors noted above, if financially attractive options may be sold against the stock. The Strategy also may purchase shares of exchange traded funds or ETFs. Please talk to your financial advisor regarding our various investment styles.</p> <p>As an alternative strategy, the Strategy may provide option advisory services on a client's stock portfolio. In those cases, the client or another investment adviser would have responsibility for selection and purchase of all or a portion of the stocks in the client's portfolio.</p> <p>After the purchase of a stock, the Strategy subsequently writes covered call options on the stock. The options written for a client's account are considered "covered" because the account owns the stock against which the options are written. As a result, the number of covered call options that can be written against any particular stock is limited by the number of shares of that stock the client holds.</p> <p>If the client's goal is to maximize option premiums generated, the Strategy generally writes as many covered call options as it can on the stocks the client owns. The Strategy also writes options of a duration and exercise price that it believes should provide the client with the highest expected return. For some clients, the goal might be capital appreciation from the equities purchased in combination with cash flow from option premiums. In this case, the Strategy would write fewer covered call options on a portion of the portfolio, setting aside the remaining stocks on which options would not be written. The amount of covered call options written on the stocks held by a client will be determined by the Strategy, in its sole discretion, based on client goals, investment opportunities presented by the overall financial position of each common stock within the stock market, market volatility, implied volatility and any other market factors which may give rise to advantageous conditions for the writing of covered call options.</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:	SEC File Number:	Date:
Backshore Capital, LLC	801-	6/30/2009

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Backshore Capital, LLC		IRS Empl. Ident.No.:
Item of Form (identify)	Answer	
	<p>The Strategy may, under certain market conditions, seek to protect or "hedge" a client's portfolio against a decline in the value of its stocks by purchasing put options. The purchase of a put option gives the right to sell or "put" a fixed number of shares of stock at a fixed price within a given time frame in exchange for the payment of a premium. The values of put options generally increase as stock prices decrease. The purchase of puts creates an additional expense, however, and may result in a lower level of net cash flow from the sale of covered call options. The downside protection of the put options is designed to moderate the client's total return across a range of equity market environments. The Strategy normally monitors the portfolio throughout the day and may initiate transactions as deemed necessary, as opposed to a "buy-write" (or sell and wait) strategy in which stocks are bought and matching call options are sold simultaneously and then held until the option expires or the stock is called away.</p> <p><u>Option Management Styles</u></p> <p>Empire Account Style</p> <p>The Empire Strategy utilizes covered option writing (selling of calls) against a portfolio of "blue chip" oriented, large capitalization stocks, or ETFs. The primary goal of the Empire Strategy is to use primarily "out-of-the-money" covered calls to provide enhanced cash flow returns, which can augment a quality equity portfolio. Upside equity participation is limited in exchange for option premiums. The options written generally provide some downside protection while offering a higher level of upside equity potential than the Golden Gate style described below.</p> <p>This style typically has less potential that a stock will be called away than does the Golden Gate style described below.</p> <p>Golden Gate Account Style</p> <p>Since the Strategy normally will write "at-the-money-calls" for the Golden Gate style account, which means potential upside equity gain normally is sacrificed to increase the potential for realizing gains from option premium income, return participation is primarily from option premiums. The Golden Gate style normally might have greater potential that a stock will be "called away" more frequently in flat or increasing markets than for another style where the Strategy writes "out-of-the-money" calls. This type of account may have more frequent equity turnover for this reason.</p> <p>At times, the Strategy may repurchase a written option and sell a replacement option. This is done on occasion to return the position to an "at-the money" status in certain markets, to limit losses in the underlying equities in fluctuating markets, and/or to keep with the overall objective of this type of portfolio.</p>	

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**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:

Backshore Capital, LLC

SEC File Number:

801-

Date:

6/30/2009

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

Backshore Capital, LLC

IRS Empl. Ident.No.:

Item of Form
(identify)

Answer

1. C.

Eagle Account Style

In an Eagle Account Style Portfolio, the primary objective is to purchase the stock of a limited number of mid- to large-cap companies with market capitalizations in excess of \$1 billion and write covered options against those stocks to generate cash flow from the option premium income.

The underlying equities consist primarily of market leaders with greater implied volatility as measured by option premiums. The stock of these underlying companies tends to trade with higher betas, which potentially exposes investors to greater market risk than other covered option portfolio strategies that Backshore employs.

Some of the additional risks involved include those risks specific to there industries as well as Mid-Cap Sector risk.

FEES

Backshore's advisory fees are set forth in the client's Investment Management Agreement (the "IMA Agreement"), as such document may be amended from time-to-time. In general, Backshore's advisory fees are based on its standard fee schedule as in effect at the time the advisory agreement is entered into. Advisory fees are negotiated with many clients, however, and may therefore vary from the standard fee schedule. For comparable services, other investment advisers may charge higher or lower fees than those charged by Backshore.

Backshore's are calculated as a percentage of assets under management. The standard fee schedule may be modified from time to time. For clients who retain the Adviser to provide limited advisory services, for example, just option services, fees generally will be negotiated between the client and the Adviser.

Backshore Standard Fee Schedule

<u>Portfolio Value</u>	<u>Annual Fee*</u>
\$250,000 to 999,999	2.0%
Over \$1,000,000 to \$4,999,999	1.5%
Over \$5,000,000	Negotiable

*The fee does not include commissions on transactions.

Advisory fees are generally paid quarterly in advance. Prepaid advisory fees covering any period after a client's advisory agreement is terminated are refunded to the client.

In some cases, Backshore's clients will have their accounts domiciled at a bank or broker-dealer that provides management of idle cash balances through a sweep arrangement. In such cases, the client often will pay a separate fee to the bank or

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**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:

Backshore Capital, LLC

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Date:

6/30/2009

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

Backshore Capital, LLC

IRS Empl. Ident.No.:

Item of Form (identify)	Answer
Item 4.	<p>broker for this service. Since clients pay Backshore a management fee based on the total market value of the client's account, the client may, in some cases, pay two fees for advice on idle cash balances.</p> <p>METHODS OF ANALYSIS, SOURCES OF INFORMATION, AND INVESTMENT STRATEGIES</p> <p>Backshore uses services such as eSignal®, Bloomberg Professional Financial Services Online® and other third party services as its sources of information.</p>
Item 5.	<p>EDUCATION AND BUSINESS STANDARDS</p> <p>Individuals who give investment advice must pass the appropriate examinations. Additionally, individuals are generally required to have an advanced education or several years of business experience either as an owner, partner, principal or other executive position in an investment management company. In some cases experience as an investor or trader in stocks, bonds or covered options may be substituted for requisite business or educational experience.</p>
Item 6.	<p>EDUCATION AND BUSINESS BACKGROUND</p> <p>Matthew Kelmon Year of Birth: 1968 Formal Education: University of Arizona Employment for the Past Five Years: Backshore Capital, LLC; Managing Partner, 2008 to present MCF Asset Management, LLC Managing Director, 2008 Kelmoore Investment Company, Inc., President and Portfolio Manager, The Kelmoore Funds, 1994 to 2008</p>
Item 9. E.	<p>PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS</p> <p>Trading by Backshore employees and staff who are in a position to know of block trade orders or trading patterns are subject to strict procedures as outlined in Backshore's Code of Ethics and must have clearance from designated persons before those trades can be executed. In addition, any and all Backshore personnel who do not have knowledge of forthcoming trades or trading patterns must provide Backshore's Chief Compliance Officer with statements of all trades and positions so their accounts can be examined for potential conflicts, harmful trading practices and changes in investment positions.</p>
Item 10.	<p>CONDITIONS FOR MANAGING ACCOUNTS</p> <p>The standard minimum value of new client accounts is \$250,000.</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:	SEC File Number:	Date:
Backshore Capital, LLC	801-	6/30/2009

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Backshore Capital, LLC		IRS Empl. Ident.No.:
Item of Form (identify)	Answer	
Item 11. A. B.	<p>REVIEW OF ACCOUNTS</p> <p>Investment decisions for client accounts are made by the Mathew Kelmon. Accounts are periodically reviewed. Client inquiries, changes in client objectives and any reasonable restrictions, changes in general market outlooks, specific market events, and changes in opinion on specific issues and other reasons may prompt additional reviews of accounts. Mathew Kelmon also reviews transactions in client accounts at periods determined by the client and his/her advisor or broker. Mathew Kelmon may review any new or modified information and reasonable restrictions from the client, the structure, composition and performance of client accounts and determines what changes to make, if any, to the accounts.</p> <p>Each client receives a report at least quarterly concerning the investment advisory account. In addition, review meetings are offered at least annually with each client to review portfolio performance as well as to identify any changes in the clients' investment objectives, risk tolerances, reasonable restrictions and liquidity needs for the upcoming year.</p> <p>The custodian of the assets also provides reports to clients.</p>	
12. A. B.	<p>INVESTMENT OR BROKERAGE DISCRETION</p> <p>As an investment adviser, and subject to its duty to seek best execution, Backshore endeavors to select those broker-dealers that provide the best trade management and execution services, based upon established criteria, which include evaluating a broker-dealers' ability to provide professional covered option trade management services, its ability to coordinate stock and related option contract fills efficiently and discreetly, and skill in providing other services that assist Backshore in providing investment management services to its clients. Backshore is permitted to aggregate trades between SMA client accounts. Accordingly, clients at times may receive a benefit from block trades, which may, in some instances, result in price improvement. Backshore may effect trades through broker-dealers that refer clients to us. However, it is our policy not to consider the volume of client referrals received, or the potential for future referrals, when we determine where client transactions are placed for execution.</p> <p>Because of Backshore's experience as an adviser managing covered option writing, its clients grant Backshore investment discretion over assets placed under its management. In accordance with the SMA Program agreement, it is authorized to make all investment decisions and to direct the implementation and management of the covered options strategy and the execution of all transactions for the client's account (subject to the investment objectives and guidelines applicable to the account) without consulting with the client in connection with each transaction.</p> <p>In the course of providing services, Backshore will execute trades for clients through broker-dealers. When a client has given Backshore broker discretion, there is no restriction on the brokers Backshore may select to execute client</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:

Backshore Capital, LLC

SEC File Number:

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6/30/2009

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

Backshore Capital, LLC

IRS Empl. Ident.No.:

Item of Form
(identify)

Answer

transactions. Backshore's general guiding principle is to trade through broker-dealers who offer the best overall execution under the particular circumstances. With respect to execution, Backshore considers a number of factors, including if the broker has custody of client assets, the actual handling of the order, the ability of the broker-dealer to settle the trade promptly and accurately, the financial standing of the broker-dealer, the ability of the broker-dealer to position stock to facilitate execution, and past experience with similar trades, and other factors which may be unique to a particular order. Based on these judgmental factors, Backshore may trade through broker-dealers that charge fees that are higher than the lowest available fees.

Backshore recommends that its clients use brokersXpress, LLC as its broker. The services provided by brokersXpress, LLC are a factor in the firm's suggestion that clients use brokersXpress, LLC, whose services will ordinarily include monthly or at least quarterly account statements to clients. brokersXpress, LLC will also provide Backshore with computer software services whereby Backshore can place orders and obtain up to date review of client accounts.

Backshore recommends that clients establish brokerage accounts with the brokersXpress, LLC a registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Backshore is independently owned and operated and not affiliated with brokersXpress, LLC. brokersXpress, LLC provides Backshore with access to its institutional trading and custody services, which are typically not available to brokersXpress, LLC retail investors. brokersXpress, LLC's services include brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

ADDITIONAL DISCLOSURES

Risks Common to All Styles

There is no guarantee against loss or that all account objectives will be met. The downside risk of the potential loss in value of the underlying equities in a declining market will be mitigated only to the extent of net option premiums received in the account. An account with more underlying equities in the portfolio may be considered more diversified than an account with fewer equities because the fluctuations in value of one stock will have a less impact on the value of the entire portfolio.

At times, the Strategy may repurchase a written option and sell a replacement option at a higher strike price and/or further out in time. This may be done at times to reduce the risk of loss in an equity position during fluctuating markets and/or to maintain the overall investment style of the portfolio. The following factors, among others, can affect account performance: market, sector, and stock specific volatility, length of time invested, diversification, management and other account fees and charges, taxes, liquidity in options and equity markets, inflation and deflation, and various other economic and political factors. Early assignment

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:	SEC File Number:	Date:
Backshore Capital, LLC	801-	6/30/2009

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Backshore Capital, LLC		IRS Empl. Ident.No.:
Item of Form (identify)	Answer	
	<p>of option contracts can also occur, and this may detract from dividends paid by the companies whose stocks are held in the account. The more money disbursed from the account over time, the less will be available for possible reinvestment and growth, which may affect performance, especially in a declining market.</p> <p>Clients should be sure to read and ask any questions raised after reading the OCC Risk booklet "Characteristics and Risks of Standardized Options" and the management agreements that clients have already received to understand the possible costs and risks as well as potential opportunities for an investment in one of these styles.</p> <p>Risk and Performance</p> <p>Clients should understand that all investments involve risk. There can be no assurance that using Backshore's investment management services will result in a selection of securities that will produce a profit to the investor, create a certain level of cash flow or will necessarily outperform the market as a whole or any particular stock or bond index.</p> <p>Covered option writing and equity ownership involve risk and are not suitable for all investors. This strategy is not suitable for investors who primarily seek capital appreciation, predictable levels of income, or who are investing for a short period of time.</p> <p>The primary risks of covered option writing include, but are not limited to, the risks of limiting gains in rising markets, the risk of an unanticipated exercise of an option, lack of liquidity in the equity or options markets, decreases in options premiums, the relatively higher cost of options trades, and the risk of forced liquidation of securities underlying written options, causing increased transaction expenses. An investor should consult with a tax advisor to determine how it will affect their personal financial situation.</p> <p>Separately Managed Account Program ("SMA Program")</p> <p>As an investment adviser, Backshore sponsors the SMA Program in which client funds are invested in implementing covered option writing strategies. The SMA Program offers one or more investment styles for one, comprehensive fee ("wrap fee"). The wrap fee program is described in Schedule H.</p> <p>An Investor Profile, completed by the client, provides information about the client's financial situation, investment objectives and risk tolerance. Based on the information that the client provides, Backshore and the client's referring investment adviser or broker present the client with one or more appropriate investment styles selected from the SMA Program. The client enters into a discretionary investment management agreement with Backshore for the provision of advisory, brokerage and administrative services. The client may impose reasonable investment restrictions with respect to his/her SMA Program account.</p> <p>Backshore also provides certain administrative services for the client.</p>	

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	<p>Confirmation of transactions and monthly account statements are provided through the Custodian of a client's SMA Program account. The Custodian provides year-end information to assist the client in tax reporting. Clients should consult their own tax advisors, however, as Backshore does not provide tax advice. The Adviser does not vote proxies without a written agreement with the client to do so.</p> <p>At least annually, clients will be contacted to determine whether there have been any changes in a client's financial situation or investment objectives, and whether a client wishes to impose any reasonable restrictions on the management of the client's wrap fee account or reasonably modify existing restrictions. If the client informs Backshore of any material changes in the information in the Questionnaire, Backshore will use that information to determine if its investment philosophy and policies are compatible with the client's most recent information. Backshore may consult as needed with the client and his/her referring investment adviser or broker if material changes to the SMA Program account portfolio are required.</p> <p>Third Party Wrap Fee Programs</p> <p>Backshore is involved in wrap fee programs with clients through other sponsoring advisers and broker-dealers. In such programs, Backshore does not dictate the overall fee schedule (fees may be higher or lower than the fees and costs associated with retaining Backshore directly outside of a third party wrap fee program), the method for calculating fees, or the timing for payment of compensation. In some cases, the third party sponsor's wrap fee may not include fees paid to Backshore for providing investment management services pursuant to that program. In certain cases, Backshore may be required to pay a portion of its investment management fees to the sponsor. The sponsor of the program generally determines these issues. The sponsor generally recommends retention of Backshore for investment management, monitors and evaluates Backshore's performance, executes the clients' portfolio transactions, provides custodial services for the client's assets and, out of the fees paid to the adviser by the client, pays Backshore's advisory fee on behalf of the client. The sponsor provides any combination of these or other services, for a single fee paid by the client to the sponsoring broker-dealer/adviser. The client is fully responsible for evaluating whether the wrap fee and any other fees paid out of the client's assets to the sponsor exceed the aggregate of the fees and cost for the same services if such services were provided and charged for separately. When considering utilizing services in a third party wrap fee program, clients should consider the overall fees and whether a wrap fee program is the appropriate vehicle for a "covered call writing strategy" such as that employed by Backshore. Due to the structure of most wrap fee programs, Backshore generally does not provide the same level of client relationship services to third party wrap clients as it does to its other clients. A client's primary relationship will be with the wrap fee sponsor, and Backshore's investment management services will be one of a number of investment management styles that clients may choose from in the program. Clients will not have the same direct relationship with Backshore that they would have if they opened an account with Backshore directly. Clients should also consider this when deciding whether to participate in a third party wrap program.</p>	

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Backshore Capital, LLC

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Item of Form
(identify)

Answer

For its advisory services, Backshore generally receives a fee, which may vary, depending on the sponsor, the size of the client's account and the particular wrap fee program. A sponsoring broker-dealer generally is also registered as an investment adviser, and the client and the sponsor/ adviser typically enter into an investment advisory agreement, pursuant to which Backshore manages a portion of the wrap account. The sponsor/ adviser or the client generally can terminate their investment advisory agreement at any time upon written notice to the other party to the advisory agreement. A pro-rata portion of any prepaid fee generally will be refunded to the client upon termination of the advisory agreement.

Allocation of Trades Among Client Accounts

To assure there is no actual or appearance of any conflict of interest or unfair treatment of client accounts when trading after options expiration cycles, Backshore generally follows rotation procedures to assure that all accounts receive fair treatment. By rotating the accounts while trading stocks and options, no one account should benefit from regularly getting better prices for buying stock or selling options. These procedures include varying the trading order of the accounts at each rotation period so no one account will receive preferential treatment. At times other than option expiration periods, trades are ordered based primarily upon when funds are received or when distributions are required for accounts and are likewise rotated to assure fair treatment for accounts.

Aggregation of Orders

When consistent with the best interests of the client, orders being placed at the same time for the accounts of two or more clients may be "batched" or placed as an aggregated order for execution.

This practice may enable the Strategy to seek more favorable executions and net prices for the combined order. Any orders placed for execution on an aggregated basis are subject to Backshore's order aggregation and allocation policies and procedures. These policies and procedures are designed to meet the legal standards applicable to Backshore under federal and state securities laws and the Employee Retirement Income Security Act of 1974 ("ERISA") and its obligations as a fiduciary to each client. Pursuant to this policy, orders to purchase or sell securities for all accounts managed by Backshore, including accounts of Backshore or its affiliates, may be aggregated or "batched" for execution, provided the policies and procedures set forth herein are followed:

1. Transactions for any client's account may not be aggregated for execution if the practice is prohibited by or inconsistent with that client's IMA Agreement with Backshore or Backshore's order allocation policy.
2. The Portfolio Manager must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.

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	<p>3. The Portfolio Manager must reasonably believe that the order aggregation will benefit, and will enable Backshore to seek best execution for, each client participating in the aggregated order. This requires a reasonable good faith judgment at the time the order is placed for execution. Best execution includes the duty to seek the best quality execution, as well as the best net price.</p> <p>4. Prior to entry of an aggregated order, a written order ticket must be completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients. The order ticket or other written statement should indicate both the minimum and maximum amount (either in dollars or number of securities) that the Portfolio Manager will accept for each account.</p> <p>5. If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid deviations from pre-determined minimum/maximum holdings limits established for any account.</p> <p>6. Each client that participates in the order must do so at the average price for all the transactions and must share in the average of commissions or other transaction costs on a pro rata basis.</p> <p>7. If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by the Chief Compliance Officer no later than the morning following the execution of the trade.</p> <p>8. Client account records must reflect separately for each account the transactions that have occurred, including aggregated transactions, and the securities that are held for each account.</p> <p>9. Funds and securities for aggregated orders should be clearly identified on Backshore's records and communicated to the brokers or other intermediaries handling the transactions by the appropriate account numbers for each participating client.</p> <p>10. No client or account will be favored over another.</p> <p>Code of Ethics</p> <p>Backshore has adopted a Code of Ethics that, among other things, establishes procedures for securities transactions by its employees and staff. Backshore's employees are permitted to buy, sell or hold such securities for their personal</p>	

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	<p>accounts (and as mentioned above, securities may be bought, sold or held for accounts in which employees are otherwise considered to have a beneficial interest, subject to the restrictions contained in the Backshore Code of Ethics.</p> <p>Among other things, the Code of Ethics restrictions are designed to avoid apparent and actual conflicts of interest with clients and inadvertent violations of the securities laws as they relate to personal trading. Each Backshore employee agrees in writing to abide by the Code of Ethics as a condition of employment. Under the Code of Ethics, employees engaging in personal securities transactions, including transactions in the shares of investment companies or mutual funds advised by Backshore, must generally ensure that they are not: (i) benefiting in their personal investments at the expense of any Backshore client or (ii) taking advantage of or "trading on" knowledge obtained from their positions, including information about client transactions. The Code of Ethics requires certain employees to pre-clear certain transactions for their personal account (an employee's personal account generally includes any account in which an employee has beneficial ownership and/or has influence or control over the investments). Advisory employees of Backshore are subject to the Code of Ethics.</p> <p>Generally, Backshore employees may purchase, sell or hold securities for their personal accounts that may be the same as, similar to or different from the securities that Backshore recommends, purchases, sells or holds for client accounts.</p> <p>If you would like a copy of Backshore's Code of Ethics, please send a request to Backshore Capital, LLC, 2 Palo Alto Square, Suite 200, 3000 El Camino Real, Palo Alto, CA 94306 or call 415-810-7069.</p> <p>Contingency Recovery Plan</p> <p>Backshore has adopted a contingency recovery plan in the event that its offices or key personnel are unavailable for the conduct of business.</p> <p>Proxy Voting</p> <p>Backshore does not vote Client proxies. Therefore, although Backshore may provide investment advisory services relative to Client investment assets, Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the Client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Backshore and/or the Client shall correspondingly instruct each custodian of the assets to forward to the Client copies of all proxies and shareholder communications relating to the Client's investment assets.</p> <p>California Code of Regulations</p> <p>The California Code of Regulations imposes two notice requirements upon financial advisers: (a.) lower cost comparable services may be available from</p>	

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	<p>others, and (b.) the possibility exists for a conflict of interest between Client interests and those of Backshore. Clients are under no obligation to purchase advice or services from Backshore.</p> <p>Privacy</p> <p>Backshore is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us. Categories of nonpublic information that Backshore collects from Clients will include information about personal finances. If authorized to do so, Backshore will provide specific information to attorneys, accountants, and mortgage lenders with whom Clients have established a relationship. With authorization, Backshore also shares a limited amount of information about you with your custodian in order to execute securities transactions on your behalf.</p> <p>Backshore maintains a secure office to ensure that your information is not placed at unreasonable risk. Backshore employs a firewall barrier, data encryption techniques and authentication procedures in our computer environment. It is also our policy to shred any paper containing non-public information prior to discarding it. We do not provide personal information to mailing list vendors or solicitors.</p> <p>Backshore has also adopted policies regarding the destruction of data on computers when they are replaced. Backshore will notify Clients in the event that there is a breach of computer security.</p> <p>Backshore requires strict confidentiality in its agreements with unaffiliated third parties that require access to Clients' personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our records and Clients' personal records as permitted by law.</p> <p>Personally identifiable information about Clients is maintained during the time that they are Clients, and for the required period thereafter as required by federal and state securities laws. After that time, the information will be destroyed.</p>	

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(for sponsors of wrap fee programs)

Name of wrap fee program or programs described in attached brochure:

SMS Program

1. **Applicability of Schedule.** This schedule must be completed by applicants that are compensated under a wrap fee program for sponsoring, organizing, or administering the program, or for selecting, or providing advice to clients regarding the selection of, other investment advisers in the program ("sponsors"). A wrap fee program is any program under which a specified fee or fees not based directly upon transactions in a client's account is charged for investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and execution of client transactions.
2. **Use of Schedule.** This Schedule sets forth the information the sponsor must include in the wrap fee brochure it is required to deliver or offer to deliver to clients and prospective clients of its wrap fee programs under Rule 204-3 under the federal Advisers Act and similar rules of the jurisdictions. The wrap fee brochure prepared in response to this Schedule must be filed with the Commission and the jurisdictions as part of Form ADV by completing the identifying information on this Schedule and attaching the brochure. Brochures should be prepared separately, not on copies of this Schedule. Any wrap fee brochure filed with the Commission as part of an amendment to Form ADV shall contain in the upper right hand corner of the cover page the sponsor's registration number (801-).
3. **General Contents of Brochure.** Unlike Parts I and II of this form, this Schedule is not organized in "check-the-box" format. These instructions, including the requests for information in Item 7 below, should not be repeated in the brochure. Rather, this Schedule describes minimum disclosures that must be made in the brochure to satisfy the sponsor's duty to disclose all material facts about the sponsor and its wrap fee programs. **Nothing in this Schedule relieves the sponsor from any obligation under any provision of the federal Advisers Act or rules thereunder, or other federal or state law to disclose information to its advisory clients or prospective advisory clients not specifically required by this Schedule.**
4. **Multiple Sponsors.** If two or more persons fall within the definition of "sponsor" in Item 1 above for a single wrap fee program, only one such sponsor need complete the Schedule. The sponsors may choose among themselves the sponsor that will complete the Schedule.
5. **Omission of Inapplicable Information.** Any information not specifically required by this Schedule that is included in the brochure should be applicable to clients and prospective clients of the sponsor's wrap fee programs. If the sponsor is required to complete this Schedule with respect to more than one wrap fee program, the sponsor may omit from the brochure furnished to clients and prospective clients of any wrap fee program or programs information required by this Schedule that is not applicable to clients or prospective clients of that wrap fee program or programs. If a sponsor of more than one wrap fee program prepares separate wrap fee brochures for clients of different programs, each brochure prepared must be filed with the Commission and the jurisdictions attached to a separate copy of this Schedule. Each such brochure must state that the sponsor sponsors other wrap fee programs and state how brochures for those programs may be obtained.
6. **Updating.** Sponsors are required to file an amendment to the brochure promptly after any information in the brochure becomes materially inaccurate. Amendments may be made by use of a "sticker," *i.e.*, a supplement affixed to the brochure that indicates what information is being added or updated and states the new or revised information, as long as the resulting brochure is readable. Stickers should be dated and should be incorporated into the text of the brochure when the brochure itself is revised.
7. **Contents of Brochure.** Include in the brochure prepared in response to this Schedule:
 - (a) on the cover page, the sponsor's name, address, telephone number, and the following legend in bold type or some other prominent fashion:

This brochure provides clients with information about Backshore Capital, LLC and the Separately Managed Account Program that should be considered before becoming a client of the Separately Managed Account Program. This information has not been approved or verified by any governmental authority.
 - (b) a table of contents reflecting the subject headings in the sponsor's brochure;
 - (c) the amount of the wrap fee charged for each program or, if fees vary according to a schedule established by the sponsor, a table setting forth the fee schedule, whether such fees are negotiable, the portion of the total fee (or the range of such amounts) paid to persons providing advice to clients regarding the purchase or sale of specific securities under the program ("portfolio managers"), and the services provided under each program (including the types of portfolio management services);

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- (d) a statement that the program may cost the client more or less than purchasing such services separately and a statement of the factors that bear upon the relative cost of the program (*e.g.*, the cost of the services if provided separately and the trading activity in the client's account);
- (e) if applicable, a statement that the person recommending the program to the client receives compensation as a result of the client's participation in the program, that the amount of this compensation may be more than what the person would receive if the client participated in other programs of the sponsor or paid separately for investment advice, brokerage, and other services, and that the person may therefore have a financial incentive to recommend the wrap fee program over other programs or services;
- (f) a description of the nature of any fees that the client may pay in addition to the wrap fee and the circumstances under which these fees may be paid (including, if applicable, mutual fund expenses and mark-ups, mark-downs or spreads paid to market makers from whom securities were obtained by the wrap fee broker);
- (g) how the program's portfolio managers are selected and reviewed, the basis upon which portfolio managers are recommended or chosen for particular clients, and the circumstances under which the sponsor will replace or recommend the replacement of the portfolio manager;
- (h)
 - (1) if applicable, a statement to the effect that portfolio manager performance information is not reviewed by the sponsor or a third party and/or that performance information is not calculated on a uniform and consistent basis,
 - (2) if performance information is reviewed to determine its accuracy, the name of the party who reviews the information and a brief description of the nature of the review,
 - (3) a reference to any standards (*i.e.*, industry standards or standards used solely by the sponsor) under which performance information may be calculated;
- (i) a description of the information about the client that is communicated by the sponsor to the client's portfolio manager, and how often or under what circumstances the sponsor provides updated information about the client to the portfolio manager;
- (j) any restrictions on the ability of clients to contact and consult with portfolio managers;
- (k) in narrative text, the information required by Items 7 and 8 of Part II of this form and, as applicable to clients of the wrap fee program, the information required by Items 2, 5, 6, 9A, and C, 10, 11, 13 and 14 of Part II;
- (l) if any practice or relationship disclosed in response to Item 7, 8, 9A, 9C and 13 of Part II presents a conflict between the interests of the sponsor and those of its clients, explain the nature of any such conflict of interest; and
- (m) if the sponsor or its divisions or employees covered under the same investment adviser registration as the sponsor act as portfolio managers for a wrap fee program described in the brochure, a brief, general description of the investments and investment strategies utilized by those portfolio managers.

8. **Organization and Cross References.** Except for the cover page requirements in Item 7(a) above, information contained in the brochure need not follow the order of the items listed in Item 7. However, the brochure should not be organized in such a manner that important information called for by the form is obscured.

Set forth below the page(s) of the brochure on which the various disclosures required by Item 7 are provided.

	<i>Page(s)</i>		<i>Page(s)</i>		<i>Page(s)</i>
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#7(c)	7	#7(h)	N/A	#7(l)	N/A
#7(d)	N/A	#7(i)	6	#7(m)	4-5
#7(e)	7-8				

Backshore Capital, LLC

2 Palo Alto Square, Suite 200

3000 El Camino Real

Palo Alto, Ca 94306

Form ADV Part II - Schedule H

Disclosure Document

June 30, 2009

Telephone: (415) 810-7069

Fax: (650) 855-6899

URL: <http://www.backshore capital.com>

This brochure provides clients with information about Backshore Capital, LLC and the Separately Managed Account Program that should be considered before becoming a client of the Separately Managed Account Program. This information has not been approved or verified by any governmental authority.

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1. Overview

A. ***Backshore Capital, LLC ("Backshore" or "Adviser")***

Backshore Capital, LLC, ("Backshore," or the "Adviser") provides investment advisory or sub-advisory services to various types of clients, including pension and profit-sharing plans ("client(s)"). Covered Option Writing Strategies, (the "Strategy") generally seek to maximize realized gains through the implementation of covered option writing. The primary objective is to maximize realized gains on certain equity securities by writing covered options on such securities in order to create cash flow that may be disbursed to clients or reinvested in client accounts.

The Strategy is to recommend the purchase of common stocks of a limited number of large- and mid-cap companies with strong financial fundamentals and an adequate level of implied volatility on which Backshore may sell or "write" related covered call options against all or a portion of the shares of stock the client owns. The Strategy focuses generally on industry leaders in market sectors such as financial services, consumer goods, manufacturing, natural resources, and technology. In addition, the Strategy may from time to time recommend the purchase of a stock not in the market sectors noted above, if financially attractive options may be sold against the stock. The Strategy also may purchase shares of exchange traded funds or ETFs. Please talk to your financial advisor regarding our various investment styles.

As an alternative strategy, the Strategy may provide option advisory services on a client's stock portfolio. In those cases, the client or another investment adviser would have responsibility for selection and purchase of all or a portion of the stocks in the client's portfolio.

After the purchase of a stock, the Strategy subsequently writes covered call options on the stock. The options written for a client's account are considered "covered" because the account owns the stock against which the options are written. As a result, the number of covered call options that can be written against any particular stock is limited by the number of shares of that stock the client holds.

If the client's goal is to maximize option premiums generated, the Strategy generally writes as many covered call options as it can on the stocks the client owns. The Strategy also writes options of a duration and exercise price that it believes should provide the client with the highest expected return. For some clients, the goal might be capital appreciation from the equities purchased in combination with cash flow from option premiums. In this case, the Strategy would write fewer covered call options on a portion of the portfolio, setting aside the remaining stocks on which options would not be written. The amount of covered call options written on the stocks held by a client will be determined by the Strategy, in its sole discretion, based on client goals, investment opportunities presented by the overall financial position of each common stock within the stock market, market volatility, implied volatility and any other market factors which may give rise to advantageous conditions for the writing of covered call options.

The Strategy may, under certain market conditions, seek to protect or "hedge" a client's portfolio against a decline in the value of its stocks by purchasing put options. The

purchase of a put option gives the right to sell or "put" a fixed number of shares of stock at a fixed price within a given time frame in exchange for the payment of a premium. The values of put options generally increase as stock prices decrease. The purchase of puts creates an additional expense, however, and may result in a lower level of net cash flow from the sale of covered call options. The downside protection of the put options is designed to moderate the client's total return across a range of equity market environments. The Strategy normally monitors the portfolio throughout the day and may initiate transactions as deemed necessary, as opposed to a "buy-write" (or sell and wait) strategy in which stocks are bought and matching call options are sold simultaneously and then held until the option expires or the stock is called away.

Option Management Styles

Empire Account Style

The Empire Strategy utilizes covered option writing (selling of calls) against a portfolio of "blue chip" oriented, large capitalization stocks, or ETFs. The primary goal of the Empire Strategy is to use primarily "out-of-the-money" covered calls to provide enhanced cash flow returns, which can augment a quality equity portfolio. Upside equity participation is limited in exchange for option premiums. The options written generally provide some downside protection while offering a higher level of upside equity potential than the Golden Gate style described below.

This style typically has less potential that a stock will be called away than does the Golden Gate style described below.

Golden Gate Account Style

Since the Strategy normally will write "at-the-money-calls" for the Golden Gate style account, which means potential upside equity gain normally is sacrificed to increase the potential for realizing gains from option premium income, return participation is primarily from option premiums. The Golden Gate style normally might have greater potential that a stock will be "called away" more frequently in flat or increasing markets than for another style where the Strategy writes "out-of-the-money" calls. This type of account may have more frequent equity turnover for this reason.

At times, the Strategy may repurchase a written option and sell a replacement option. This is done on occasion to return the position to an "at-the money" status in certain markets, to limit losses in the underlying equities in fluctuating markets, and/or to keep with the overall objective of this type of portfolio.

Eagle Account Style

In an Eagle Account Style Portfolio, the primary objective is to purchase the stock of a limited number of mid- to large-cap companies with market capitalizations in excess of \$1 billion and write covered options against those stocks to generate cash flow from the option premium income. The underlying equities consist primarily of market leaders with greater implied volatility as measured by option premiums. The stock of these underlying companies tends to trade with higher betas, which potentially exposes investors to greater market risk than other covered option portfolio strategies that

Backshore employs.

Some of the additional risks involved include those risks specific to the there industries.

Risks Common to All Styles

There is no guarantee against loss or that all account objectives will be met. The downside risk of the potential loss in value of the underlying equities in a declining market will be mitigated only to the extent of net option premiums received in the account. An account with more underlying equities in the portfolio may be considered more diversified than an account with fewer equities because the fluctuations in value of one stock will have a less impact on the value of the entire portfolio.

At times, the Strategy may repurchase a written option and sell a replacement option at a higher strike price and/or further out in time. This may be done at times to reduce the risk of loss in an equity position during fluctuating markets and/or to maintain the overall investment style of the portfolio. The following factors, among others, can affect account performance: market, sector, and stock specific volatility, length of time invested, diversification, management and other account fees and charges, taxes, liquidity in options and equity markets, inflation and deflation, and various other economic and political factors. Early assignment of option contracts can also occur, and this may detract from dividends paid by the companies whose stocks are held in the account. The more money disbursed from the account over time, the less will be available for possible reinvestment and growth, which may affect performance, especially in a declining market.

Clients should be sure to read and ask any questions raised after reading the OCC Risk booklet "Characteristics and Risks of Standardized Options" and the management agreements that clients have already received to understand the possible costs and risks as well as potential opportunities for an investment in one of these styles.

B. Separately Managed Account Program ("SMA Program").

As an investment adviser, Backshore sponsors the SMA Program. The SMA Program serves clients including individuals, pension and profit sharing plans, retirement accounts, trusts, estates, and other business entities. The SMA Program offers one or more investment styles for one, comprehensive fee ("wrap fee"). The SMA Program provides the client with other fee arrangements, but this document describes only the accounts offered with a wrap fee.

Because Backshore acts primarily as a manager in implementing the Strategy, we rely on a national network of investment advisers that evaluate the merits of the Strategy as a suitable investment for their client's portfolios, and make recommendations regarding the nature of any investment using the Strategy. Please talk to your financial advisor regarding our various investment styles.

2. Description of the SMA Program

A. Services

Backshore provides advice for client's securities, investments, cash and other assets, which comprise the client's account, in implementing and managing the Strategy. Generally, clients are introduced to the SMA Program by a referring investment adviser with which Backshore has a solicitation agreement. In general, the SMA Program provides the following services:

- Backshore's advisory services, which may include assistance from outside advisers, research and management services;
- Monthly account activity and transaction summaries;
- Trade execution services;
- Confirmations of every transaction in the account;
- Access during regular business hours to a Portfolio Manager
- Other SMA Program services described herein.

The specific services provided in the SMA wrap fee accounts are set forth below.

B. Separately Managed Accounts ("SMAs")

Backshore as adviser sponsors this wrap fee program in which client funds are invested in implementing the Strategy. Backshore also acts as the sole portfolio manager for the SMA Program.

An Investor Profile, completed by the client, provides information about the client's financial situation, investment objectives and risk tolerance. Based on the information that the client provides, Backshore and the client's referring investment adviser or broker present the client with one or more appropriate investment styles selected from the SMA Program. The client enters into a discretionary investment management agreement with Backshore for the provision of advisory, brokerage and administrative services. The client may impose reasonable investment restrictions with respect to his/her SMA.

Backshore also provides certain administrative services for clients. Confirmation of transactions and monthly account statements are provided through the designated custodian of a client's SMA account. The custodian provides year-end information to assist the client in tax reporting. Clients should consult their own tax advisors, however, as Backshore does not provide tax advice. The Adviser does not vote proxies.

At least annually, clients will be contacted to determine whether there have been any changes in a client's financial situation or investment objectives, and whether a client wishes to impose any reasonable restrictions on the management of the client's SMA or reasonably modify existing restrictions. If the client informs Backshore of any material

changes in the information in the Investor Profile, Backshore will use that information to determine if its investment philosophy and policies are compatible with the client's most recent information. Backshore may consult as needed with the client and his/her referring investment adviser or broker if material changes to the SMA portfolio are required.

FEES

The comprehensive wrap fee is assessed quarterly, in advance, and is payable on the first day of each calendar quarter. The fee includes all advisory, brokerage, custody and administrative costs. The wrap fee is deducted from the client's account on a quarterly basis. Certain referring investment advisers or brokers may reduce the standard referral fee they receive from Backshore, which is included in the total wrap fee. In such instances, Backshore may reduce the standard wrap fee accordingly. The standard wrap fee schedule, based on market value of client assets under management at the end of each quarter, is set forth as follows:

Backshore WRAP Fee Schedule

Portfolio Value	Annual Fee *
\$250,000 to \$999,999	3.0 %
Over \$1,000,000 to \$4,999,999	2.5 %
Over \$5,000,000	Negotiable

The Strategy's standard minimum for new accounts is \$250,000. No fee adjustments are made for withdrawals from the account or for account appreciation or depreciation during a billing period. The Strategy may adjust fees for deposits during a billing period. The Strategy assesses no start-up or termination charges. However, if the account is closed and positions are liquidated rather than assets being received in kind, the client will incur transaction costs. The wrap fee does not include charges arising from retirement account fees, trust fees, transfer fees or other special service fees. The client authorizes the Strategy to deduct the comprehensive wrap fee and other special service fees directly from the client's account in an investment management agreement.

For certain accounts offered outside of the SMA Program, the client may purchase advisory, brokerage and other services separately from Backshore, and the resulting cost could be more or less than the SMA wrap fee. The client must consider factors such as account transaction activity, tax and estate consequences, account composition and income requirements to determine which arrangement would provide the greater benefit.

C. Compensation

Backshore shares a portion of the total wrap fee paid by SMA Program clients with unaffiliated solicitors, as disclosed in the solicitor's disclosure letter provided to clients.

Unaffiliated solicitors are investment advisers who are paid to refer clients to Backshore's SMA Program described in this Form ADV, Schedule H. The amount of this compensation may be more than what the solicitor would receive if the client paid separately for investment advice, brokerage, and other services, and the solicitor may therefore have a financial incentive to recommend the wrap fee program over other programs or services. Because Backshore does not use outside portfolio managers, all fees not paid to solicitors are retained by Backshore.

D. Termination Rights

The business relationship between Backshore and the client is memorialized in the Investment Management Agreement (the "IMA Agreement"). The client may terminate the IMA Agreement without penalty within five business days after executing the agreement, with all fees refunded. A party may terminate the IMA Agreement at any time with 10-day written notice, to the other party subject to ACAT rules and procedures. Backshore refunds a pro rata portion of the client's prepaid fee if a portfolio is closed during a billing period. Backshore assesses no penalty for closing an account. If assets held in an account are liquidated upon termination, the client normally bears the cost of closing any open positions. If the client elects to receive assets in kind, there is no cost to terminate. The value of the account may be adversely affected if open option positions are closed prematurely.

3. Suitability of Investments

A. Client Information

Prior to opening an SMA Program account, substantial information is elicited from the client, including general circumstances of the client (age, income, assets, investment knowledge, etc.), general and specific investment goals and time frames, and risk tolerance, using the New Account Packet.

B. Investment Objectives

For all accounts, investment objectives are determined through information elicited from the client and memorialized in an Investor Profile. The Portfolio Managers and Client Account Review Committee periodically review the objectives. All transactions are made in conformance with the client's investment objectives. At least annually, Backshore, or the referring investment adviser, notifies the client in writing to contact the adviser or Backshore if there have been any changes in the client's financial situation or investment objectives, or if the client wishes to impose any reasonable restrictions on the management of the SMA or reasonably modify existing restrictions.

4. Performance Data

A. Performance Review

Portfolio performance information is reviewed periodically by Backshore.

5. Disclosure

A. Investment Decisions

Investment decisions for SMAs are made by the Mathew Kelmon. Accounts are periodically reviewed. Client inquiries, changes in client objectives and any reasonable restrictions, changes in general market outlooks, specific market events, and changes in opinion on specific issues and other reasons may prompt additional reviews of accounts. Mathew Kelmon also reviews transactions in client accounts at periods determined by the client and his/her advisor or broker. Mathew Kelmon may review any new or modified information and reasonable restrictions from the client, the structure, composition and performance of client accounts and determines what changes to make, if any, to the accounts.

Each client receives a report at least quarterly concerning the investment advisory account. In addition, review meetings are offered at least annually with each client to review portfolio performance as well as to identify any changes in the clients' investment objectives, risk tolerances, reasonable restrictions and liquidity needs for the upcoming year.

The custodian of the assets also provides reports to clients.

B. Education and Business Standards

Individuals who give investment advice must pass the appropriate examinations. Additionally, individuals are generally required to have an advanced education or several years of business experience either as an owner, partner, principal or other executive position in an investment management company. In some cases experience as an investor or trader in stocks, bonds or covered options may be substituted for requisite business or educational experience.

C. Education and Business Background

Matthew Kelmon

Year of Birth: 1968

Formal Education:

University of Arizona

Employment for the Past Five Years:

Backshore Capital, LLC; Managing Partner, 2008 to present

MCF Asset Management, LLC Managing Director, 2008

Kelmoore Investment Company, Inc., President and Portfolio Manager, The Kelmoore Funds, 1994 to 2008

D. Information Sources

The Strategy uses services such as eSignal®, Bloomberg Professional Financial Services Online®, and other third party services as its sources of information.

E. Potential Conflicts of Interest Principal Transactions

Backshore itself does not, acting as principal, knowingly or intentionally buy securities for itself from or sell securities it owns to any client.

F. Agency Cross Transactions

An agency cross transaction is defined as a transaction where an investment adviser or any person controlled by or under common control with the investment adviser acts as a broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions typically may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

Backshore's policy and practice is intended not to engage in any agency cross transactions.

G. Firm Trading

The Strategy may recommend listed stocks with related standardized options to advisory clients that are also traded in a brokerage account the firm maintains with its clearing firm or a 401K, IRA, or other account maintained by the firm's employees or staff. Backshore may simultaneously sell a particular security for one account while purchasing the same security for another account if each transaction is consistent with the respective client's investment objectives and guidelines.

H. Allocation of Trades Among Client Accounts

To assure there is no actual or appearance of conflict of interest or unfair treatment of client accounts when trading after options expiration cycles, Backshore generally follows rotation procedures to assure that all accounts receive fair treatment. By rotating the accounts while trading stocks and options, no one account should benefit from regularly getting better prices for buying stock or selling options. These procedures include varying the trading order of the accounts at each rotation period so no one account will receive preferential treatment. Backshore's officers or their designees review and approve the trading rotation and trading reports. At times other than option expiration periods, trades are ordered based primarily upon when funds are received or when distributions are required for accounts and are likewise rotated to assure fair treatment for accounts.

I. Aggregation of Orders

When consistent with the best interests of the client, orders being placed at the same time for the accounts of two or more clients may be "batched" or placed as an aggregated order for execution. This practice may enable Backshore to seek more favorable executions and net prices for the combined order. Any orders placed for execution on an aggregated basis are subject to Backshore's order aggregation and allocation policies and procedures. These policies and procedures are designed to meet the legal standards applicable to Backshore under federal and state securities laws and the Employee Retirement Income Security Act of 1974 and its obligations as a fiduciary

to each client.

Pursuant to this policy, orders to purchase or sell securities for all accounts managed by Backshore, including accounts of Backshore or its affiliates, may be aggregated or "batched" for execution, provided the policies and procedures set forth herein are followed:

1. Transactions for any client's account may not be aggregated for execution if the practice is prohibited by or inconsistent with that client's IMA Agreement with Backshore or Backshore's order allocation policy.
2. The Portfolio Manager must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.
3. The Portfolio Manager must reasonably believe that the order aggregation will benefit, and will enable Backshore to seek best execution for, each client participating in the aggregated order. This requires a reasonable good faith judgment at the time the order is placed for execution. Best execution includes the duty to seek the best quality execution, as well as the best net price.
4. Prior to entry of an aggregated order, a written order ticket must be completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients. The order ticket or other written statement should indicate both the minimum and maximum amount (either in dollars or number of securities) that the Portfolio Manager will accept for each account.
5. If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid deviations from predetermined minimum/maximum holdings limits established for any account.
6. Each client that participates in the order must do so at the average price for all the transactions and must share in the average of commissions or other transaction costs on a pro rata basis.
7. If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by the Chief Compliance Officer no later than the morning following the execution of the trade.
8. Client account records must reflect separately for each account the transactions that have occurred, including aggregated transactions, and the

securities that are held for each account.

9. Funds and securities for aggregated orders should be clearly identified on Backshore's records and communicated to the brokers or other intermediaries handling the transactions by the appropriate account numbers for each participating client.
10. No client or account will be favored over another. Trading by Backshore employees and staff who are in a position to know of block trade orders or trading patterns are subject to strict procedures as outlined in Backshore's Code of Ethics and must have clearance from designated persons before those trades can be executed. In addition, any and all Backshore personnel who do not have knowledge of forthcoming trades or trading patterns must provide Backshore's compliance department with statements of all trades and positions so their accounts can be examined for potential conflicts, harmful trading practices and changes in investment positions. If you would like a copy of Backshore's Code of Ethics, please send a request to Backshore Capital, LLC, 2 Palo Alto Square, Suite 200, 3000 El Camino Real, Palo Alto, CA 94306, or call 1-415-810-7069.

J. Additional Conflicts

Mathew Kelson may effect transactions in his own accounts in securities owned in SMA Program accounts, but only pursuant to Backshore's Code of Ethics policies and federal securities regulations.

As an investment adviser, and subject to its duty to seek best execution, Backshore endeavors to select those broker-dealers that provide the best trade management and execution services, based upon established criteria, which include evaluating a broker-dealers' ability to provide professional covered option trade management services, its ability to coordinate stock and related option contract fills efficiently and discreetly, and skill in providing other services that assist Backshore in providing investment management services to its clients. Backshore is permitted to aggregate trades between SMA client accounts. Accordingly, clients at times may receive a benefit from block trades, which may, in some instances, result in price improvement. However, it is Backshore's policy not to consider the volume of client referrals received, or the potential for future referrals, when it determines where client transactions are placed for execution.

Because of Backshore's experience as an adviser managing the covered option writings, its clients grant Backshore investment discretion over assets placed under its management. In accordance with the SMA Program agreement, Backshore as adviser is authorized to make all investment decisions and place trades for SMAs. Clients in Backshore's SMA Program do not incur separate brokerage transaction charges in addition to the payment of the wrap fee, except as disclosed in this Schedule H.

Backshore as adviser uses its trading experience and extensive knowledge of the options markets to exploit intra-day movements in option premiums, resulting in rapid reactions to market activity to generate the favorable option premiums and to select and manage the activities of executing brokers.

K. Broker Dealer

Investment or Brokerage Discretion

In the course of providing services, Backshore will execute trades for clients through broker-dealers. When a client has given Backshore broker discretion, there is no restriction on the brokers Backshore may select to execute client transactions. Backshore's general guiding principle is to trade through broker-dealers who offer the best overall execution under the particular circumstances. With respect to execution, Backshore considers a number of factors, including if the broker has custody of client assets, the actual handling of the order, the ability of the broker-dealer to settle the trade promptly and accurately, the financial standing of the broker-dealer, the ability of the broker-dealer to position stock to facilitate execution, (Insert Name)'s past experience with similar trades, and other factors which may be unique to a particular order. Based on these judgmental factors, Backshore may trade through broker-dealers that charge fees that are higher than the lowest available fees.

Backshore recommends that its clients use brokersXpress, LLC as its broker. The services provided by brokersXpress, LLC are a factor in the firm's suggestion that clients use brokersXpress, LLC, whose services will ordinarily include monthly or at least quarterly account statements to clients. brokersXpress, LLC will also provide Backshore with computer software services whereby Backshore can place orders and obtain up to date review of client accounts.

Backshore recommends that clients establish brokerage accounts with the brokersXpress, LLC a registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Backshore is independently owned and operated and not affiliated with brokersXpress, LLC. brokersXpress, LLC provides Backshore with access to its institutional trading and custody services, which are typically not available to brokersXpress, LLC retail investors. brokersXpress, LLC's services include brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

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

Backshore uses services such as eSignal®, Bloomberg Professional Financial Services Online® and other third party services as its sources of information.

M. Participation or Interest in Client Transactions

Trading by Backshore employees and staff who are in a position to know of block trade orders or trading patterns are subject to strict procedures as outlined in Backshore's Code of Ethics and must have clearance from designated persons before those trades can be executed. In addition, any and all Backshore personnel who do not have knowledge of forthcoming trades or trading patterns must provide Backshore's Chief Compliance Officer with statements of all trades and positions so their accounts can be examined for potential conflicts, harmful trading practices and changes in investment

positions.

6. ADDITIONAL DISCLOSURES

A. Risk and Performance

Clients should understand that all investments involve risk. There can be no assurance that using Backshore's investment management services will result in a selection of securities that will produce a profit to the investor, create a certain level of cash flow or will necessarily outperform the market as a whole or any particular stock or bond index.

Covered option writing and equity ownership involve risk and are not suitable for all investors. This strategy is not suitable for investors who primarily seek capital appreciation, predictable levels of income, or who are investing for a short period of time.

The primary risks of covered option writing include, but are not limited to, the risks of limiting gains in rising markets, the risk of an unanticipated exercise of an option, lack of liquidity in the equity or options markets, decreases in options premiums, the relatively higher cost of options trades, and the risk of forced liquidation of securities underlying written options, causing increased transaction expenses. An investor should consult with a tax advisor to determine how it will affect their personal financial situation.

B. Code of Ethics

Backshore has adopted a Code of Ethics that, among other things, establishes procedures for securities transactions by its employees and staff. Backshore's employees are permitted to buy, sell or hold such securities for their personal accounts (and as mentioned above, securities may be bought, sold or held for accounts in which employees are otherwise considered to have a beneficial interest, subject to the restrictions contained in the Backshore Code of Ethics.

Among other things, the Code of Ethics restrictions are designed to avoid apparent and actual conflicts of interest with clients and inadvertent violations of the securities laws as they relate to personal trading. Each Backshore employee agrees in writing to abide by the Code of Ethics as a condition of employment. Under the Code of Ethics, employees engaging in personal securities transactions, including transactions in the shares of investment companies or mutual funds advised by Backshore, must generally ensure that they are not: (i) benefiting in their personal investments at the expense of any Backshore client or (ii) taking advantage of or "trading on" knowledge obtained from their positions, including information about client transactions. The Code of Ethics requires certain employees to pre-clear certain transactions for their personal account (an employee's personal account generally includes any account in which an employee has beneficial ownership and/or has influence or control over the investments). Advisory employees of Backshore are subject to the Code of Ethics.

Generally, Backshore employees may purchase, sell or hold securities for their

personal accounts that may be the same as, similar to or different from the securities that Backshore recommends, purchases, sells or holds for client accounts.

If you would like a copy of Backshore's Code of Ethics, please send a request to Backshore Capital, LLC, 2 Palo Alto Square, Suite 200, 3000 El Camino Real, Palo Alto, CA 94306 or call 415-810-7069.

C. Contingency Recovery Plan

Backshore has adopted a contingency recovery plan in the event that its offices or key personnel are unavailable for the conduct of business.

D. Proxy Voting

Backshore does not vote Client proxies. Therefore, although Backshore may provide investment advisory services relative to Client investment assets, Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the Client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Backshore and/or the Client shall correspondingly instruct each custodian of the assets to forward to the Client copies of all proxies and shareholder communications relating to the Client's investment assets.

E. California Code of Regulations

The California Code of Regulations imposes two notice requirements upon financial advisers: (a.) lower cost comparable services may be available from others, and (b.) the possibility exists for a conflict of interest between Client interests and those of Backshore. Clients are under no obligation to purchase advice or services from Backshore.

F. Privacy

Backshore is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us. Categories of nonpublic information that Backshore collects from Clients will include information about personal finances. If authorized to do so, Backshore will provide specific information to attorneys, accountants, and mortgage lenders with whom Clients have established a relationship. With authorization, Backshore also shares a limited amount of information about you with your custodian in order to execute securities transactions on your behalf.

Backshore maintains a secure office to ensure that your information is not placed at unreasonable risk. Backshore employs a firewall barrier, data encryption techniques and authentication procedures in our computer environment. It is also our policy to shred any paper containing non-public information prior to discarding it. We do not provide personal information to mailing list vendors or solicitors.

Backshore has also adopted policies regarding the destruction of data on computers when they are replaced. Backshore will notify Clients in the event that there is a breach

of computer security.

Backshore requires strict confidentiality in its agreements with unaffiliated third parties that require access to Clients' personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our records and Clients' personal records as permitted by law.

Personally identifiable information about Clients is maintained during the time that they are Clients, and for the required period thereafter as required by federal and state securities laws. After that time, the information will be destroyed.