



Annual Disclosure Brochure

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Contact Information:

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Summary

This brochure provides information about the qualifications and business practices of Sandpiper Capital, LLC (hereinafter SC). Its primary purpose is to elicit disclosure of policies or practices which may present a conflict of interest or an additional element of risk for investment management clients. In all cases where we have identified a possible conflict, our policy has been, and will continue to be, to make every effort to resolve each issue in the favor of the long term interests of our clients. As a result, you'll see fairly short, straightforward answers to each of the risk disclosures. We believe that, in the case of our clients' interests, the fewer the conflicts, the better. We aspire to having none. Our core belief is that risk reduction, (including the risk of a conflict of interest), is an essential element in the creation of long term value for our investment management clients.

If you have any questions about the contents of this brochure, please contact Tom Lukic, Managing Member of SC at TomLukic@Sandpiper-Capital.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State securities authority. Additional information about SC, LLC is available on the Internet at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for SC is 148542.

Material Changes

As required by the Dodd–Frank Wall Street Reform and Consumer Protection Act mid-sized investment advisory firms (firms with Assets Under Management between \$25 Million and \$99 Million) must change their primary regulatory authority from the United States Securities and Exchange Commission to the individual States. Due to this regulatory change Sandpiper Capital, LLC is now filing for registration with the State of Virginia.

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Advisory Business

Sandpiper Capital, LLC (SC) is a fee-only investment adviser offering fiduciary management of client assets for individuals and institutions. Founded by Tom Lukic in 2008, SC is based in Virginia Beach, Virginia and currently manages 68 accounts that total approximately \$35 million in assets.

The only service which SC offers is the management of investment advisory accounts. SC does not offer or describe any services offered as financial planning or any similar term. SC manages investment advisory accounts using model asset allocation portfolios. Each model portfolio is designed to meet a particular investment goal. Through personal discussions with the client, SC will establish and document the client's goals and objectives. Based on this information, SC will determine which model portfolio is suitable to the client's circumstances. SC may also, if appropriate, suggest modifications to the model or an allocation among two or more of the models to more adequately address the client's individual needs.

Portfolios will consist primarily of stocks, bonds, notes and exchange traded funds (ETFs) among other investment products. Depending on the size and nature of the account, no load or load-waived mutual funds or annuity separate accounts may be used to represent one or more asset classes. Once the appropriate portfolio(s) has been determined, the account is generally managed based on the portfolio's goal, rather than on each client's individual needs.

Clients, nevertheless, will have the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Clients will retain individual ownership of all securities. SC will manage advisory accounts on a discretionary basis only. Account supervision is guided by the stated objectives of the client (i.e., capital preservation, conservative growth, growth and income, growth or performance).

In order to ensure that SC's initial determination of an appropriate portfolio continues to be suitable and that the client's account continues to be managed in a manner fitting the client's financial circumstances, SC will maintain client suitability information in the client's file and will seek to keep this information current at all times. Clients must notify SC immediately upon any material change to the client's financial circumstances or investment objectives or if the client wishes to impose or modify existing investment restrictions or mandates.

SC will monitor Portfolio Management Services accounts at least monthly and will rebalance these accounts as needed. If SC believes that a particular investment is performing inadequately, or if SC believes that a different investment is more suitable for the portfolio's goal, then SC will recommend a different investment and reinvest the clients' assets accordingly.

Fees and Compensation

The annual fee for Portfolio Management Services will be charged as percentage of assets under management, according to the following schedule:

Assets Under Management	Annual Fee (%)
\$500,000 - \$10 Million	1.00%
Above \$10 Million	.50%

SC will generally discount the above fee schedule for charitable nonprofit organizations or foundations. Unless otherwise agreed, client accounts will be directly debited, as authorized, in arrears at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value), of the client's account at the end of the previous quarter.

A minimum of \$500,000 of assets under management is required for this service. This account size may be negotiable under certain circumstances. SC may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

Negotiability of Fees: In certain circumstances, all fees and account minimums may be negotiable. In addition, at SC's discretion, family members and personal acquaintances of SC's affiliated persons may receive advisory services at a discounted rate which is not available to advisory clients generally.

Termination: A client agreement may be canceled at any time, by either party, for any reason upon receipt of written notice. Upon termination of any account, any earned, unpaid fees will be due and payable. The client has the right to terminate an agreement without penalty at any time after entering into the agreement.

Other Fees and Expenses: All fees paid to SC for investment advisory services are separate and distinct from the fees and expenses charged by ETFs, annuity separate accounts and mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. In the case of annuities, fees include administrative and mortality expenses in addition to the separate account fund fees. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without the services of SC. In that case, the client would not receive the services provided by SC which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and the fees charged by SC to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

In addition to SC's advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers. Such fees may include, but are not limited to, any transaction charges, fees for duplicate statements and transaction confirmations, and fees for electronic data feeds and reports.

Performance Based Fees and Side-By-Side Management

Fee Calculation : The fee charged is calculated as described on the previous page and is not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client (Section 205(a)(1) of the Advisers Act).

Side-By-Side Management: SC does not manage any other types of investment accounts, e.g.; private equity, hedge or mutual funds.

Types of Clients

SC will offer these services, where appropriate, to individuals, their pension and profit sharing plans, annuity separate accounts, trusts, estates, charitable organizations or foundations and corporations or other business entities. SC requires a minimum account of \$100,000 for Portfolio Management Services clients. This account size may be negotiable under certain circumstances. SC may group certain related

client accounts for the purposes of achieving the minimum account size.

Methods of Analysis, Investment Strategies and Risk of Loss

Philosophy

SC's investment advice is based on long-term investment strategies incorporating the principles of Modern Portfolio Theory. SC's investment approach is firmly rooted in the following beliefs:

- 1) the adviser's principal responsibility to the client is risk management.**
- 2) the adviser's primary tool for risk management is asset allocation.**
- 3) excess returns are a residual of well managed risk.**

Process

SC's first step in choosing securities for client portfolios is to define the appropriate percent of assets to be maintained in low risk investments - government money market accounts and short term, high credit quality bonds. SC uses clients' prospective need for cash distributions as well as objective measures of potential market risk to make this determination.

The remaining allocation to risky assets is diversified not only among a variety of individual securities, but also among markets, investment style attributes (that is; large capitalization and small, growth and value) as well as by investment strategy (macro-economic, cyclical, seasonal and fundamental). The investment strategies used to implement any advice given to clients include both long term and short term purchases that are executed according to SC's risk budgeting models. When purchases are made with an intention of seeking short term, seasonal gains, the cost of these strategies are weighed against the potential net gains, with the overall goal of minimizing total trading costs relative to our peers. SC's proprietary models supplemented by research and/or investment analytics purchased from Value-Trac, Bloomberg and Morningstar provide the basis for final securities selection.

Risk

While every effort is made to predict and mitigate the potential for investment losses and to diversify portfolios so as to offset individual security's risks, financial markets always present investors with unknown and unquantifiable risks that are a fundamental characteristic of any account that seeks returns above the risk free rate.

Disciplinary Information

No principal or employee of SC has been the subject of any disciplinary action of any industry regulatory body.

Other Financial Industry Activities and Affiliation

SC is not actively engaged in outside business and does not sell products or services other than investment advice.

SC is not registered as a broker-dealer, futures merchant, commodity pool operator or commodity trading adviser. SC has no arrangements or affiliations with outside financial industry persons or institutions that are material to its advisory business.

Code of Ethics, Participation or Interest in Client Transactions

Participation or Interest in Client Transactions: SC's access employees may buy or sell securities identical to or different from those recommended to clients for their personal accounts. In addition, any related person(s) may have an interest or position in security(ies) which may also be recommended to a client. As these situations present conflicts of interest, SC has adopted a Code of Ethics which sets forth high ethical standards of business conduct that SC requires of its employees, including compliance with applicable federal securities laws. SC's Code of Ethics includes policies and procedures for the maintenance of securities transactions reports on at least a quarterly basis as well as initial and annual securities holdings reports.

SC's Code of Ethics: Among other things, when SC employs additional persons with access to recommendations or client information, the Code of Ethics will also require the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. A copy of SC's Code of Ethics is available to SC's clients or prospective clients upon request.

Brokerage Practices

Soft Dollars:

SC does not direct client trades in exchange for research or referrals.

Aggregation: Client trades in stocks and bonds may be blocked with transactions for other advisory clients to achieve better pricing and commission costs. SC will typically block trades when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts. Block trading may allow SC to execute equity trades in a timelier, more equitable manner, at an average share price, and potentially to reduce overall commission charges to clients participating in the block. However, ticket charges and other related transaction costs will not always be able to be reduced. SC will typically only be able to aggregate trades for clients that direct the use of a particular broker dealer with clients that have directed the use of the same broker dealer. As a result, a disparity in commission charges may exist between the commissions charged to the client and commissions charged to other SC clients that have directed the use of a different broker dealer. This is because all trades in the same security placed on the same day may not be placed simultaneously. SC will rotate or vary the order of brokers through which it places trades for clients on any particular day.

SC may also aggregate trades for itself or for its associated persons with client trades, provided that the following conditions are met:

1. SC's policies for the aggregation of transactions shall be fully disclosed in this Form ADV;
2. SC will not aggregate transactions unless it believes that aggregation is consistent with its duty to seek best execution (which includes the duty to seek best price) for its clients and is consistent with the terms of SC 's investment advisory agreement;
3. No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all SC's transactions in a given security on a given business day, with transaction costs shared pro-rata based on each client's participation in the transaction;
4. SC will prepare, before entering an aggregated order, a written statement ('Allocation Statement') specifying client accounts and how it intends to allocate the order among those clients;
5. If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the Allocation Statement; if the order is partially filled, it will be allocated pro-rata based on the Allocation Statement.
6. Notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the Allocation Statement if all client accounts receive fair and equitable treatment and the reason for different allocation is explained in a written memorandum prepared no later than one hour after the opening of the markets

on the trading day following the day the order was executed and such record is maintained in the firm's records;

7. SC's books and records will separately reflect, for each client account, orders which have been aggregated, the securities held by, and bought and sold for that account.
8. Funds and securities of clients whose orders are aggregated will be deposited with one or more banks or broker-dealers, and neither the clients' cash nor their securities will be held collectively any longer than is necessary to settle the purchase or sale in question on a delivery versus payment basis; cash or securities held collectively for clients will be delivered out to the custodian bank or broker-dealer as soon as practicable following the settlement;
9. SC will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation; and
10. Individual advice and treatment will be accorded to each advisory client.

Cross Trades: SC may, as it deems appropriate from time to time, effect internal cross trades of fixed income instruments involving the accounts of two or more advisory clients. A cross trade is a transaction between two or more accounts managed by the same Adviser. Although cross trades can be advantageous for clients in several respects, they also present a conflict of interest for Adviser in that it is a fiduciary to each party to the transaction. SC does not earn commission on a transactional basis and thus receives no added benefit in affecting these trades. SC will effect a cross trade only if: (i) the transaction is consistent with Adviser's fiduciary duty to its clients, (ii) full written disclosure has been made to the clients involved in the transaction (iii) no client is disadvantaged by the trade and (iv) otherwise, all requirements outlined in the Advisers Act are met.

Limited Brokerage Discretion: Notwithstanding an otherwise directed brokerage relationship between SC and a Portfolio Management Services client, SC requests that it be provided written authority to determine the broker dealer to be used for the purchase or sale of certain fixed income instruments for the client's account as well as the mark-ups/mark-downs and other costs associated with these transactions that will be incurred by the client. Clients may change/amend these limitations as desired. Such amendments shall be in writing. When SC exercises this limited brokerage discretion in order to purchase or sell such instruments, SC will select those broker dealers that will provide quality services at competitive transaction costs. The reasonableness of brokerage costs, commissions and markups/mark downs is based on the broker dealer's ability to provide professional services, competitive execution and other services.

Review of Accounts

Reviews: While the underlying securities within Portfolio Management Services accounts are continuously monitored, these accounts are reviewed at least monthly by Tom Lukic. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

Reports: In addition to the monthly statements and confirmations of transactions that Portfolio Management Services clients receive from their broker dealer, SC will provide quarterly reports summarizing account performance, balances and holdings.

Client Referrals and Other Compensation

SC does not pay for client referrals. SC does not receive any compensation other than client fees.

Clients should note that SC participates in Charles Schwab's, Schwab Institutional service program (SI Program). While there is no direct link between the investment advice given by SC and its participation in the SI Program, benefits are received which would not be received if SC did not give investment advice to clients. Schwab provides SC with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an

unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisors clients' assets are maintained in accounts at Schwab Institutional. Schwab's brokerage services include the execution of securities transactions, 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. For SC client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts. These fees have been found by SP to be generally lower cost than other custodians'. Schwab Institutional also makes available to SC other products and services that benefit SC but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some of SC's accounts, including accounts not maintained at Schwab. Schwab's products and services that assist SC in managing and administering clients' accounts include software and other technology that (i) provide access to client account data such as trade confirmations and account statements; (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of SC's fees from its clients accounts; and (v) assist with back office functions, recordkeeping and client reporting. Schwab Institutional also offers other services intended to help SC manage and further develop its business enterprise. These services may include: (i) compliance, legal and business guides and templates; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers. Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to SC. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay a part of the fees of a third-party providing these services to SC. Schwab Institutional may also provide other benefits such as educational events. In evaluating whether to recommend that clients custody their assets at Schwab, SC may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers and not solely the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

Custody

As SC does not have the discretionary authority to determine the broker dealer to be used or the commission rates to be paid (except in certain limited circumstances described below), clients must direct SC as to the broker dealer to be used. SC encourages that clients direct SC to place trades through the approved custodians Charles Schwab (balanced accounts) or UBS Financial Services (bond accounts) - each unaffiliated with SC. SC has evaluated Schwab and UBS and believes that each will provide SC clients with the blend of execution services, commission costs and professionalism required by SC to meet its fiduciary obligations to clients. SC reserves the right to decline acceptance of any client account for which the client directs the use of a broker dealer other than Schwab or UBS if SC believes that this choice would hinder its fiduciary duty to the client and/or its ability to service the account.

In directing the use of Schwab and UBS, it should be understood that SC will not have authority to negotiate commissions on a trade-by-trade basis or to necessarily obtain volume discounts. In addition, a disparity in commission charges may exist between the commissions charged to the client and those charged to other clients, who direct the use of another broker dealer. Not all advisers require clients to direct it use a particular broker dealer.

Each custodian of client asset will send to clients periodic statements of account balances, positions and activity. While SC relies primarily upon the custodians' records in the production of reports for its clients, errors may sometimes occur and clients should review both sets of documents for accuracy.

Investment Discretion

SC requires that client's grant the discretionary authority to determine which securities and the amounts of securities that are to be bought or sold for the clients account(s). Such authority shall be

granted in writing. Should the client wish to impose reasonable limitations on this discretionary authority, such limitations shall be included in this written authority statement. Clients may change/amend these limitations as desired. Such amendments shall be submitted in writing.

Voting Client Securities

SC does not have or accept authority to vote client securities. Clients will receive proxy materials directly from transfer agents or through their custodians. SC is normally copied on custodian communications and will serve as a resource for clients who wish additional information concerning particular voting issues. SC will attempt to respond in a timely manner to any phone call, e-mail message or written request from a client for proxy voting information.

Class Actions, Bankruptcies and Other Legal Proceedings:

SC will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the clients account(s), including, but not limited to, the filing of Proofs of Claim in class action settlements. If desired, clients may direct SC, LLC to transmit copies of class action notices to the client or a third party. Upon such direction, SC, LLC will make commercially reasonable efforts to forward such notices in a timely manner.

Requirements for State-Registered Advisers

Executive Officer and Management Personnel

Tom Lukic, Managing Member Born: 1953

Education

State University of New York at Binghamton- BA in Social Psychology (1976)

Business Experience

Sandpiper Capital- Managing Member and Portfolio Manager (2008- Present)

Senior Vice President - Virginia Investment Counselors, a division of BB&T (1997- 2008)

Investment Broker- AG Edwards and Sons, Inc. (1981-1996)

Professional Designations:

Chartered Financial Analyst (CFA)¹ (1993)

Chartered Investment Counselor (CIC)² (1997)

¹Chartered Financial Analyst (CFA)

The Chartered Financial Analyst (CFA)

designation is issued by the CFA Institute. A candidate for designation must have either: (1) an undergraduate degree and four years of professional experience involving investment decision-making or (2) four years of qualified work experience (full time but not necessarily investment related). There are 3 course exams that must be passed and each course level is a self-study program involving 250 hours of study time. There are no continuing education requirements.

²CIC – Certified Insurance Counselor

“The Chartered Investment Counselor (CIC) charter is a professional designation established in 1975 and awarded by the Investment Adviser Association (IAA). The Charter was designed to recognize the special qualifications of persons employed by IAA member firms whose primary duties involve investment counseling and portfolio management.

A key educational component of the program is the requirement that candidates hold the Chartered Financial Analyst® (CFA®) designation, administered by CFA Institute (see <http://www.cfainstitute.org/cfaprogram/Pages/index.aspx>). In addition to successful completion of the CFA program, the CIC designation requires candidates to demonstrate significant experience (at least 5 cumulative years) in a position performing investment counseling and portfolio management responsibilities. At the time the charter is awarded, candidates must be employed by an IAA member firm in a such a position, must provide work and character references, must endorse the IAA's Standards of Practice, and must provide professional ethical information. For more information, see: <https://www.investmentadviser.org/eweb/dynamicpage.aspx?webcode=cic>.”

Other Business Activities

As previously disclosed, Sandpiper Capital and Tom Lukic do not have any other business activities to report.

No Performance Based Fees

As previously disclosed, Sandpiper Capital does not charge performance based fees.

No Arbitrations

Prime Investment Advisors or any of its associated persons have not been the subject of any client arbitrations or similar legal disputes.

Material Relationship Maintained by this Advisory Business or Management persons with Issuers of Securities

None to report

Form ADV Part 2B Brochure Supplement

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Email: inquiries@www.sandpiper-capital.com

11/25/2011

This brochure supplement provides information about Thomas A. Lukic that supplements the Sandpiper Capital, LLC brochure. You should have received a copy of that brochure. Please contact Thomas A. Lukic at 757-962-4596 you did not receive Sandpiper Capital, LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Thomas A. Lukic is available on the SEC's website at www.adviserinfo.sec.gov

Item 2 Educational Background and Business Experience

Please refer to Item 19 for information related to Mr. Lukic's educational and business experience.

Item 3 Disciplinary Information

Thomas A. Lukic has no reportable disciplinary history.

Item 4 Other Business Activities

Thomas A. Lukic has no other business activities to report.

Item 5 Additional Compensation

Thomas A. Lukic does not receive any economic benefit from a non-advisory client for the provision of advisory services.

Item 6 Supervision

Thomas A. Lukic is the Chief Compliance Officer of Sandpiper Capital, LLC. He is responsible for developing, overseeing and enforcing the firm's compliance programs that have been established to monitor and supervise the activities and services provided by the firm and its representatives, including Thomas A. Lukic. Mr. Lukic can be contacted at 757-962-4596.

Item 7 Requirements for State-Registered Advisors

I have not been the subject of any client arbitrations, similar legal disputes or any bankruptcy filings.