

**ITEM. 1 COVER PAGE FOR
PART 2A OF FORM ADV:
FIRM BROCHURE
DATED APRIL 2011**

**KING & CO. INVESTMENT COUNSEL LLC
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LA JOLLA, CA 92037**

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This brochure provides information about the qualifications and business practices of King & Co. Investment Counsel LLC (“King & Co.”). If you have any questions about the contents of this brochure, please contact us by telephone at 858-412-6404 or email at mary_king@kinginvestment.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 King & Co. also is available on the SEC’s website at www.adviserinfo.sec.gov

Please note that the use of the term “registered investment adviser” and description of King & Co. and/or our associates as “registered” does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firms’ associates who advise you for more information on the qualifications of our firm and its employees.

ITEM 2. MATERIAL CHANGES TO OUR
PART 2A OF FORM ADV: FIRM BROCHURE

King & Co. is required to advise you of any material changes to our Firm Brochure (“Brochure”) from our last annual update, identify those changes on the cover page of our Brochure or on the page immediately following the cover page, or in a separate communication accompanying our Brochure. We must state clearly that we are discussing only material changes since the last annual update of our Brochure, and we must provide the date of the last annual update of our Brochure.

Please note that we do not have to provide this information to a client or prospective client who has not received a previous version of our brochure. At this time, there are no material changes to report about our Brochure.

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ITEM 4. ADVISORY BUSINESS

We specialize in the following types of services: Comprehensive Portfolio Management, Financial Consultations, Separate Account Management services, Investment Policy Statement Creation and Review, and Portfolio Monitoring. We have \$46,620,000 in assets under management as 4/12/2011.

A. Description of our advisory firm, including how long we have been in business and our principal owner(s)¹.

King & Co. Investment Counsel LLC serves high net-worth individuals and institutions with portfolios and plans to achieve their goals, while reflecting their ethical values.

We are dedicated to providing individuals and other types of clients with a wide array of investment advisory services. Our firm is a limited liability company formed in the State of California. Our firm has been in business as an investment adviser since November, 2010, and is owned as follows:

Mary Naber King – One-hundred percent (100%) owner

Mary King is the Founder and President of King & Co. Investment Counsel LLC. Before King & Co., Mary served as a Senior Vice President and Wealth Management Advisor at Merrill Lynch in Beverly Hills. She is the author of empirical research published in the *Journal of Investing*. Mary's expertise in the field of ethical investing is highlighted in over half a dozen books and multiple magazines. She is the first undergraduate in history to receive a double major in Economics and Religion, with Honors, from Harvard University.

B. Description of the types of advisory services we offer.

(i) Comprehensive Portfolio Management:

Our Comprehensive Portfolio Management service encompasses asset management as well as providing financial consulting to clients. It is designed to assist clients in meeting their financial goals through the use of financial investments. We conduct at least one, but sometimes more than one meeting (in person if possible, otherwise via telephone conference) with clients in order to understand their current financial situation, existing resources, financial goals, tolerance for risk and ethical concerns. Based on what we learn, we propose an investment approach to the client. We may propose an investment

¹ Please note that: (1) For purposes of this item, our principal owners include the *persons* we list as owning 25% or more of our firm on Schedule A of Part 1A of Form ADV (Ownership Codes C, D or E). (2) If we are a publicly held company without a 25% shareholder, we simply need to disclose that we are publicly held. (3) If an individual or company owns 25% or more of our firm through subsidiaries, we must identify the individual or parent company and intermediate subsidiaries. If we are a state-registered adviser, on Form ADV Part 2A Page 2, we must identify all intermediate subsidiaries. If we are an SEC-registered adviser, we must identify intermediate subsidiaries that are publicly held, but not other intermediate subsidiaries.

portfolio, consisting of exchange traded funds, mutual funds, individual stocks or bonds, or other securities. Upon the client's agreement to the proposed investment plan, we work with the client to establish or transfer investment accounts so that we can manage the client's portfolio. Once the relevant accounts are under our management, we review such accounts on a regular basis and at least quarterly. We may periodically rebalance or adjust client accounts under our management. If the client experiences any significant changes to his/her financial or personal circumstances, the client must notify us so that we can consider such information in managing the client's investments.

Clients with over five million dollars (\$5,000,000) in assets under management with our firm will generally be invited to participate placed in our wrap fee program. King & Co.'s Wrap Fee Program is separately disclosed in a Wrap Fee Program Brochure.

We may utilize Separate Account Managers, where we may design an investment portfolio and provide ongoing corresponding Comprehensive Portfolio Management services on a fee-only basis for a percentage of assets in conjunction with another investment advisory firm. Before selecting other advisers, we make sure that the other advisers are properly licensed or registered.

We pay compensation to Separate Account Managers for services rendered by these firms to our clients and our firm. This compensation is typically equal to a percentage of the overall investment advisory fee charged by our firm or an agreed upon fixed fee. The advisory fee paid to Separate Account Managers shall be negotiable in certain circumstances, but shall never exceed the overall amount in our published fee statement. We usually pay twenty-five (25) to fifty-percent (50%) of the overall advisory fee to Separate Account Managers for their services.

(ii) Financial Consultations:

We provide a variety of financial consultation services to individuals, families and other clients regarding the management of their financial resources based upon an analysis of the client's current situation, goals, and objectives. Generally, such financial services will involve rendering one or more financial consultations for clients based on the client's financial goals and objectives. This consulting may encompass one or more of the following areas: Investment Planning, Retirement Planning, Estate Planning, Charitable Gift Planning, Education Planning, Real Estate Analysis, Mortgage/Debt Analysis, Insurance Analysis, Lines of Credit Evaluation, Business and Personal Financial Planning, Strategic Cash Management and Ethical Values Investing.

Our financial consultations rendered to clients usually include general recommendations for a course of activity or specific actions to be taken by the clients. For example, recommendations may be made that the clients begin or revise investment programs, create or revise wills or trusts, obtain or revise insurance coverage, commence or alter retirement savings, or establish educational accounts or charitable giving programs. It should also be noted that we refer clients to an accountant, attorney or other specialist, as necessary for non-advisory related services. Consultations are typically completed within

six (6) months of the client signing a contract with us, assuming that all the information and documents we request from the client are provided to us promptly. Implementation of the recommendations will be at the discretion of the client.

If a client who utilizes our financial consultation services chooses to utilize our Comprehensive Portfolio Management Service within 3 months of engaging us for a financial consultation, the fee for our Financial Consultation Service may be credited against our fee for Comprehensive Portfolio Management Services.

(iii) Separate Account Management Services:

Individual and Institutional Clients as well as other Advisers (“the Adviser”) may retain us as a Sub-Adviser (i.e., as sub-investment adviser), to manage investment and reinvestment of the assets in Client Accounts. Our service works as follows:

- a. The Adviser appoints our firm as the Sub-Adviser to act as the Adviser's agent and attorney-in-fact and delegates to us full power and authority and discretion to buy, sell or otherwise effect transactions for certain Client Accounts. We agree that the investment and reinvestment of the assets in the Client Accounts shall be in accordance with the investment objectives and policies as set forth on Schedule A of the Agreement between our firm and the Client or Adviser, and subject to all restrictions applicable to the Client Accounts as communicated in writing by the Adviser to our firm. Such investment objectives, policies and restrictions may be occasionally amended by written notification of the Adviser to our firm. The Adviser shall promptly forward to us in writing any and all changes to such investment objectives, policies and restrictions.
- b. At the reasonable request of the Client or Adviser, representatives of our firm shall from time to time participate in periodic consultations by telephone with a Client regarding management and performance of the Account.

(iv) Investment Policy Statement Creation and Review:

We may write and/or revise Investment Policy Statements for various Foundations and other types of clients. An Investment Policy Statement (IPS) is a document, generally between a client and an investment adviser, recording the agreements the two parties come to with regards to issues relating to how the investor's money is to be managed. In other cases, an IPS may also be created by an investment committee (e.g., those charged with making investment decisions for an endowment or pension plan) to help establish and record its own policies in order to assist in future decision-making or to help maintain consistency of its policies by future committee members or to clarify expectations for prospective investment advisers who may be hired by the committee.

The presence of an IPS helps to clearly communicate to all relevant parties the procedures, investment philosophy, guidelines and restrictions to be adhered to by the parties. It can be seen as a directive from the client to the investment adviser about how

the money is to be managed, but at the same time the IPS should provide guidelines for all investment decisions and responsibilities of each party.

(v) Portfolio Monitoring

Our Portfolio Monitoring Service provides for periodic reviews, but no trade execution, nor discretion with respect to securities transactions. Clients are responsible for placing and executing their own trades, either on their own or with another investment adviser.

C. Explanation of whether (and, if so, how) we tailor our advisory services to the individual needs of clients, whether clients may impose restrictions on investing in certain securities or types of securities.

(i) Individual Tailoring of Advice to Clients:

We offer individualized investment advice to clients utilizing the following services offered by our firm: Comprehensive Portfolio Management, and Separate Account Management Services. Additionally, we offer general investment advice to clients utilizing the following services offered by our firm: Financial Consultations, Investment Policy Statement Creation and Review, and Portfolio Monitoring.

(ii) Ability of Clients to Impose Restrictions on Investing in Certain Securities or Types of Securities:

We encourage clients to impose reasonable and clear restrictions on investing in certain securities or types of securities or industries based on their ethical values. For example, clients may express moral or social based objections to investing in certain companies or industries. We encourage and assist clients in establishing ethical investment guidelines with respect to these services: Comprehensive Portfolio Management, Financial Consulting, Separate Account Management, Investment Policy Statement Creation and Review, and Portfolio Monitoring.

D. Participation in wrap fee programs.

We offer wrap fee programs as further described in Part 2A, Appendix 1 (the “Wrap Fee Program Brochure”) of our Brochure. Our wrap fee and non-wrap fee accounts are managed on an individualized basis according to the client’s investment objectives, time frame, risk tolerance, and ethical values. We do not manage wrap fee accounts in a different fashion than non-wrap fee accounts. As further described in our Wrap Fee Program Brochure, we receive a portion of the wrap fee for our services.

Clients with over five million dollars (\$5,000,000) in assets under management with our firm will generally be invited to participate in a wrap fee program.

E. Disclosure of the amount of *client* assets we manage on a *discretionary basis* and the amount of *client* assets we manage on a *non-discretionary basis* as of 4/12/2011.

We manage² \$35,864,000 on a discretionary basis and \$10,759,000 on a non-discretionary basis as of 4/12/2011.

ITEM 5. FEES AND COMPENSATION

We are required to describe our brokerage, custody, fees and fund expenses so you will know how much you are charged and by whom for our advisory services provided to you. Our fees may be negotiable in certain cases.

A. Description of how we are compensated for our advisory services provided to you.

(i) Comprehensive Portfolio Management:

Our firm's annual fees for investment management services provided under this Agreement shall be based on the market value of assets under management and shall be calculated at up to one-percent (1%) of all assets under management. These fees are billed on a pro-rata annualized basis quarterly in arrears based on the value of your account on the last day of the quarter.

(ii) Financial Consultations:

We charge on an hourly fee basis for financial consultation services. The total estimated fee, as well as the ultimate fee that we charge you, is based on the scope and complexity of our engagement with you. Our hourly fees are \$250 for financial consultations.

(iii) Separate Account Management Services:

The Adviser will pay to our firm compensation up to fifty-percent (50 %) of the total investment advisory fee charged to the client by the Adviser for managing Client Accounts. If our Client engages the Adviser directly, separate account management fees shall be based on the market value of assets under management and shall be calculated at up to one-percent (1%) of all assets under management. Our firm's compensation will be paid within one (1) month after the Adviser's receipt of such investment advisory fees. If our firm serves as the sub-adviser for less than the whole of any period for which the Adviser's compensation is calculated, our compensation shall be due and payable on a pro rata basis for the period during which we served as sub-adviser to the Client's Account.

² Please note that our method for computing the amount of "*client* assets we manage" can be different from the method for computing "assets under management" required for Item 5.F in Part 1A of Form ADV. However, we have chosen to follow the method outlined for Item 5.F in Part 1A of Form ADV. If we decide to use a different method at a later date to compute "*client* assets we manage," we must keep documentation describing the method we use and inform you of the change. The amount of assets we manage may be disclosed by rounding to the nearest \$100,000. Our "as of" date must not be more than three months before the date we last updated our *Brochure* in response to Item 4.E of Form ADV Part 2A.

(iv) Investment Policy Statement Creation and Review:

We charge between \$5,000 and \$25,000 for the creation of a new Investment Policy Statement or review of an existing one. In most cases, our firm requires an advance retainer of fifty-percent (50%) of the project's cost, with the rest of the project's cost due within thirty (30) days of completion and presentation of an invoice.

(v) Portfolio Monitoring:

Our firm's annual fees for Portfolio Monitoring Services provided under this Agreement shall be based on the market value of assets under management and shall be calculated at up to 0.50% of the assets being monitored. These fees are billed on a pro-rata annualized basis quarterly in arrears based on the value of your account on the last day of the quarter. Our Portfolio Monitoring fee may be negotiable in certain cases.

B. Description of whether we deduct fees from *clients'* assets or bill *clients* for fees incurred.

(i) Comprehensive Portfolio Management:

Our firm's fees are billed on a pro-rata annualized basis quarterly in arrears based on the value of your account on the last day of the quarter. Fees will generally be automatically deducted from your managed account within a few days after the quarter's end*. As part of this process, you understand and acknowledge the following:

- a) Your independent custodian sends statements at least quarterly to you showing all disbursements for your account, including the amount of the advisory fees paid to us;
- b) You provide authorization permitting us to be directly paid by these terms;
- c) If we send a copy of our invoice to you, we send a copy of our invoice to the independent custodian at the same time we send the invoice to you;
- d) If we send a copy of our invoice to you, our invoice includes a legend as required by paragraph (a)(2) of Rule 206(4)-2 under the Investment Advisers Act of 1940.**

*In rare cases, we will agree to direct bill clients.

**The legend urges the client to compare information in their invoices with that contained in the statement from their account custodian.

(ii) Financial Consultations:

We do not require a retainer towards our financial consultation fee.

(iii) Separate Account Management Services:

See Item 5A, Separate Account Management Services, for a description of how we are paid.

(iv) Investment Policy Statement Creation and Review:

See Item 5A, Investment Policy Statement Creation and Review, for a description of how we are paid.

(v) Portfolio Monitoring:

We will directly bill you, or, with your permission, your Adviser, for our Portfolio Monitoring service. Our bill is due and payable within thirty (30) days.

C. Description of any other types of fees or expenses clients may pay in connection with our advisory services, such as custodian fees or mutual fund expenses.

Clients will incur transaction charges for trades executed in their accounts. These transaction fees are separate from our fees and will be disclosed by the firm that the trades are executed through. Also, clients will pay the following separately incurred expenses, which we do not receive any part of: charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses).

Wrap fee clients will receive our Form ADV, Part 2A, Appendix 1 (the "Wrap Fee Program Brochure"). Wrap fee clients will not incur transaction costs for trades. More information about this is disclosed in our separate Wrap Fee Program Brochure.

D. Client's advisory fees are due quarterly in arrears.

We charge our advisory fees quarterly in arrears. If you decide to terminate our services, you need to contact us and verbally state that you want to terminate our services. Once you have verbally terminated our services, we will proceed to close out your account and charge you a pro-rata fee for services provided to date.

E. Commissionable securities sales.

We do not sell securities for a commission. In order to sell securities for a commission, we would need to have our associated persons registered with a broker-dealer. We have chosen not to do so.

ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

We do not charge performance fees to our clients.

ITEM 7. TYPES OF CLIENTS AND ACCOUNT REQUIREMENTS

We have the following types of clients:

- Individuals;
- Trusts, Estates or Charitable Organizations;
- Pension and Profit Sharing Plans;
- Corporations, limited liability companies and/or other business types

Our requirements for opening and maintaining accounts or otherwise engaging us:

We require a minimum account balance of \$250,000 for our Comprehensive Portfolio Management. This minimum account balance may be negotiable in certain cases and would generally be required throughout the course of the client's relationship with our firm.

ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. Description of the methods of analysis and investment strategies we use in formulating investment advice or managing assets.

Methods of Analysis:

- Fundamental

Investment Strategies we use:

- Long term purchases (securities held at least a year);
- Short term purchases (securities sold within a year)
- Trading (securities sold within 30 days)

Please note:

Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market and/or bond market may increase and your account(s) could enjoy a gain, it is also possible that the markets may decrease and your account(s) could suffer a loss. It is important that you understand the risks associated with investing in these markets, are appropriately diversified in your investments, and ask us any questions you may have.

B. Our practices regarding cash balances in *client* accounts, including whether we invest cash balances for temporary purposes and, if so, how.

We generally invest client's cash balances in money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments. In most cases, at least a partial cash balance will be maintained in a money market account so

that our firm may debit advisory fees for our services related to Comprehensive Portfolio Management and Separate Account Management, as applicable.

ITEM 9. DISCIPLINARY INFORMATION

We are required to disclose whether there are legal or disciplinary events that are material to a *client's* or prospective *client's* evaluation of our advisory business or the integrity of our management. There are a number of specific legal and disciplinary events that we must presume are material for this Item. If our advisory firm or a *management person* has been *involved* in one of these events, we must disclose it under this Item for ten years following the date of the event, unless (1) the event was resolved in our or the *management person's* favor, or was reversed, suspended or vacated, or (2) the event is not material (see Note below). For purposes of calculating this ten-year period, the "date" of an event is the date that the final *order*, judgment, or decree was entered, or the date that any rights of appeal from preliminary *orders*, judgments or decrees lapsed.

The SEC and/or State Regulators have not provided us with an exclusive list of material disciplinary events, which need to be disclosed. If our advisory firm or a *management person* has been *involved* in a legal or disciplinary event that is not specifically required to be disclosed, but nonetheless is material to a *client's* or prospective *client's* evaluation of our advisory business or the integrity of our management, we must disclose the event. Similarly, even if more than ten years has passed since the date of the event, we must disclose the event if it is so serious that it remains currently material to a *client's* or prospective *client's* evaluation of our firm or management.

We have determined that our firm and management have nothing to disclose under the aforementioned standard. Our firm and its' principals have no material criminal, regulatory and/or civil matters to disclose to you.

ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

We have no other financial industry activities and affiliations to disclose except for an insurance company affiliation. Our Investment Consultants may serve as insurance agents and/or brokers for which they may earn insurance based commissions for non-variable insurance product sales. Specifically, we are not a broker-dealer, nor are our management person's members of a broker-dealer. We also have no other business arrangements which are material and have not otherwise been disclosed.

ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

- A. Brief description of our Code of Ethics adopted pursuant to SEC rule 204A-1 and offer to provide a copy of our Code of Ethics to any *client* or prospective *client* upon request.

We recognize that the personal investment transactions of members and employees of our firm demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, we believe that if investment goals are similar for clients and for members and employees of our firm, it is logical and even desirable that there be common ownership of some securities.

Therefore, in order to prevent conflicts of interest, we have in place a set of procedures (including a pre-clearing procedure) with respect to transactions effected by our members, officers and employees for their personal accounts³. In order to monitor compliance with our personal trading policy, we have a quarterly securities transaction reporting system for all of our associates.

Furthermore, our firm has established a Code of Ethics which applies to all of our associated persons. An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

- B. If our firm or a *related person* invests in the same securities (or related securities, e.g., warrants, options or futures) that our firm or a *related person* recommends to *clients*, we are required to describe our practice and discuss the conflicts of interest this presents and generally how we address the conflicts that arise in connection with personal trading.

See Item 11A of this Brochure.

- C. If our firm or a *related person* recommends securities to *clients*, or buys or sells securities for *client* accounts, at or about the same time that you or a *related person* buys or sells the same securities for our firm's (or the *related person's* own) account, we are required to describe our practice and discuss the conflicts of interest it presents. We are also required to describe generally how we address conflicts that arise.

See Item 11A of this Brochure

³ For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

ITEM 12. BROKERAGE PRACTICES

A. Description of the factors that we consider in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (e.g., commissions).

1. Research and Other Soft Dollar Benefits. If we receive research or other products or services other than execution from a broker-dealer or a third party in connection with *client* securities transactions (“soft dollar benefits”), we are required to disclose our practices and discuss the conflicts of interest they create. Please note that we must disclose all soft dollar benefits we receive, including, in the case of research, both proprietary research (created or developed by the broker-dealer) and research created or developed by a third party.

Our firm has an arrangement with National Financial Services LLC, and Fidelity Brokerage Services LLC (together with all affiliates, “Fidelity”) through which Fidelity provides our firm with Fidelity’s “platform” services. The platform services include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support our firm in conducting business and in serving the best interests of our clients but that may benefit our firm.

- a. Explanation of when we use *client* brokerage commissions (or markups or markdowns) to obtain research or other products or services, and how we receive a benefit because our firm does not have to produce or pay for the research, products or services.

As part of the arrangement described in Item 12A1, Fidelity also makes certain research and brokerage services available at no additional cost to our firm. These services include certain research and brokerage services, including research services obtained by Fidelity directly from independent research companies, as selected by our firm (within specific parameters). The research and brokerage services provided by Fidelity are used by our firm to manage accounts for which we have investment discretion. Without this arrangement, our firm might be compelled to purchase the same or similar services at our own expense.

- b. Incentive to select or recommend a broker-dealer based on our interest in receiving the research or other products or services, rather than on our *clients’* interest in receiving best execution.

As a result of receiving the services discussed in 12A(1)a of this Firm Brochure for no additional cost, we may have an incentive to continue to use or expand the use of Fidelity’s services. Our firm examined this potential conflict of interest when we chose to enter into the relationship with Fidelity and we have determined that the relationship is in the best interest of our firm’s clients and satisfies our client obligations, including our duty to seek best execution.

Fidelity charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity enables us to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Fidelity's commission rates are generally discounted from customary retail commission rates. However, the commission and transaction fees charged by Fidelity may be higher or lower than those charged by other custodians and broker-dealers. It should also be noted that FIWS has agreed to cover up to fifty-five thousand dollars (\$55,000) worth of transition costs for our firm to move our business to FIWS.

- c. Causing *clients* to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up).

Our non-wrap fee program clients may pay a commission to Fidelity that is higher than another qualified broker dealer might charge to effect the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions.

- d. Disclosure of whether we use soft dollar benefits to service all of our *clients'* accounts or only those that paid for the benefits, as well as whether we seek to allocate soft dollar benefits to *client* accounts proportionately to the soft dollar credits the accounts generate.

Although the investment research products and services that may be obtained by our firm will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account.

- 2) Brokerage for *Client* Referrals. If we consider, in selecting or recommending broker-dealers, whether our firm or a *related person* receives *client* referrals from a broker-dealer or third party, we are required to disclose this practice and discuss the conflicts of interest it creates.

Our firm does not receive brokerage business for client referrals.

- 3) Directed Brokerage.

- a. If we routinely recommend, request or require that a *client* directs us to execute transactions through a specified broker-dealer, we are required to describe our practice or policy. Further, we must explain that not all advisers require their *clients* to direct brokerage. If our firm and the broker-dealer are affiliates or have another economic relationship that creates a material conflict of interest, we are further required to describe the relationship and discuss the conflicts of interest it presents by explaining that through the direction of brokerage we may be unable to achieve best execution of *client* transactions, and that this practice may cost our *clients* more money.

In certain instances, clients may seek to limit or restrict our discretionary authority in making the determination of the brokers with whom orders for the purchase or sale of securities are placed for execution, and the commission rates at which such securities transactions are effected. Any such client direction must be in writing (often through our advisory agreement), and may contain a representation from the client that the arrangement is permissible under its governing laws and documents, if this is relevant.

We provide appropriate disclosure in writing to clients who direct trades to particular brokers, that with respect to their directed trades, they will be treated as if they have retained the investment discretion that we otherwise would have in selecting brokers to effect transactions and in negotiating commissions and that such direction may adversely affect our ability to obtain best price and execution. In addition, we will inform you in writing that your trade orders may not be aggregated with other clients' orders and that direction of brokerage may hinder best execution.

Special Considerations for ERISA Clients

A retirement or ERISA plan client may direct all or part of portfolio transactions for its account through a specific broker or dealer in order to obtain goods or services on behalf of the plan. Such direction is permitted provided that the goods and services provided are reasonable expenses of the plan incurred in the ordinary course of its business for which it otherwise would be obligated and empowered to pay. ERISA prohibits directed brokerage arrangements when the goods or services purchased are not for the exclusive benefit of the plan. Consequently, we will request that plan sponsors who direct plan brokerage provide us with a letter documenting that this arrangement will be for the exclusive benefit of the plan.

- b. If we permit a *client* to direct brokerage, we are required to describe our practice. If applicable, we must also explain that we may be unable to achieve best execution of your transactions. Directed brokerage may cost *clients* more money. For example, in a directed brokerage account, you may pay higher brokerage commissions because we may not be able to aggregate orders to reduce transaction costs, or you may receive less favorable prices on transactions.

See Item 12A(3) of this Brochure.

Special Considerations for Separate Account Management Clients

- a. We select brokers and dealers for any purchase or sale of assets of Client Accounts and are responsible for obtaining best execution for transactions. Consistent with this idea, we may, in the allocation of portfolio brokerage business and the payment of brokerage commissions, consider the brokerage and research services furnished the Sub-Adviser by brokers and dealers, in accordance with the provisions of Section 28(e) of the Securities Exchange Act of 1934, as amended. Such research generally will be used to service all of our clients, but brokerage commissions paid by the Client Accounts may be used to pay for research that is not used in managing the Client Accounts.
- b. Should a Client direct in writing that the Adviser or our firm use a particular broker or dealer, then such Client will negotiate terms and arrangements for their Account with that broker or dealer and we will not seek better execution services or prices from other broker-dealers. As a result, such Client Account may pay higher commissions or greater spreads, or receive less favorable net prices, on transactions for the Client Account than would otherwise be the case.
- c. Our firm, Investment Consultants and Portfolio Managers are not responsible or liable for the acts or omissions of any broker-dealer.

- B. Discussion of whether, and under what conditions, we aggregate the purchase or sale of securities for various *client* accounts in quantities sufficient to obtain reduced transaction costs (known as bunching). If we do not bunch orders when we have the opportunity to do so, we are required to explain our practice and describe the costs to *clients* of not bunching.

We perform investment management services for various clients. There are occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by our firm, which involve accounts with similar investment objectives. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they are affected only when we believe that to do so will be in the best interest of the effected accounts. When such concurrent authorizations occur, the objective is to allocate the executions in a manner which is deemed equitable to the accounts involved. In any given situation, we attempt to allocate trade executions in the most equitable manner possible, taking into consideration client objectives, current asset allocation and availability of funds using price averaging, proration and consistently non-arbitrary methods of allocation

ITEM 13. REVIEW OF ACCOUNTS

- A. Review of *client* accounts, along with a description of the frequency and nature of our review, and the titles of our *employees* who conduct the review.

We review accounts on at least a quarterly basis for our clients subscribing to the following services: Comprehensive Portfolio Management and Separate Account Management Services. Portfolio Monitoring clients receive at least quarterly reviews. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. Only our Investment Consultants or Portfolio Managers will conduct reviews.

Our Financial Consulting and Investment Policy Statement Creation and Review Clients receive reviews only when contracted for. We do not have an ongoing fiduciary responsibility to update these clients.

- B. Review of *client* accounts on other than a periodic basis, along with a description of the factors that trigger a review.

We may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc.

- C. Description of the content and indication of the frequency of written or verbal regular reports we provide to *clients* regarding their accounts.

We will provide written annual performance reports to our clients. Verbal reports are provided to clients and take place on at least an annual basis when we meet with them when they subscribe to the following services: Comprehensive Portfolio Management, Separate Account Management, and Portfolio Monitoring.

ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

- A. If someone who is not a *client* provides an economic benefit to our firm for providing investment advice or other advisory services to our *clients*, we must generally describe the arrangement. For purposes of this Item, economic benefits include any sales awards or other prizes.

Except for the arrangements outlined in Item 12 of this brochure, we have no additional arrangements to disclose.

- B. If our firm or a *related person* directly or indirectly compensates any *person* who is not our *employee* for *client* referrals, we are required to describe the arrangement and the compensation.

We do not pay referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm in accordance with Rule 206 (4)-3 of the Investment Advisers Act of 1940.

ITEM 15. CUSTODY

- A. If we have *custody* of *client* funds or securities and a qualified custodian as defined in SEC rule 206(4)-2 or similar state rules (for example, a broker-dealer or bank) does not send account statements with respect to those funds or securities directly to our *clients*, we must disclose that we have *custody* and explain the risks that you will face because of this.

All of our clients receive at least quarterly account statements directly from their custodians. Upon opening an account with a qualified custodian on a client's behalf, we promptly notify the client in writing of the qualified custodian's contact information. If we decide to also send account statements to clients, such notice and account statements include a legend that recommends that the client compare the account statements received from the qualified custodian with those received from our firm.

- B. If we have *custody* of *client* funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to our *clients*, we are required to explain that you will receive account statements from the broker-dealer, bank, or other qualified custodian and that you should carefully review those statements.

We encourage our clients to raise any questions with us about the custody, safety or security of their assets. The custodians we do business with will send you independent account statements listing your account balance(s), transaction history and any fee debits or other fees taken out of your account.

Special Considerations for Separate Account Management Clients

Appointment of Custodian

Custody of all assets in the Client Accounts shall be maintained by such custodians as the Client and the Adviser shall determine. The Adviser shall provide the necessary written information with respect to such custodian(s) to our firm.

Procedure

- a. At no time shall we receive, retain or physically control or have custody over any cash, securities or other assets forming any part of the Client Accounts.
- b. Clients have given, or shall give, the broker and the custodians standing instructions to forward to our firm or designee, simultaneously with the transmittal thereof to the Adviser, confirmations of all transactions relating to Client Accounts, together with at least quarterly statements for such Account.

ITEM 16. INVESTMENT DISCRETION

- A. If we accept *discretionary authority* to manage securities accounts on behalf of *clients*, we are required to disclose this fact and describe any limitations our *clients* may place on our authority. The following procedures are followed before we assume this authority:

Our clients are requested to sign a discretionary investment advisory agreement with our firm for the management of their account. This type of agreement only applies to our Comprehensive Portfolio Management and Separate Account Management clients. We do not take or exercise discretion with respect to our other clients.

ITEM 17. VOTING CLIENT SECURITIES

- A. If we have, or will accept, proxy authority to vote *client* securities, we must briefly describe our voting policies and procedures, including those adopted pursuant to SEC Rule 206(4)-6.

We do not and will not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to our firm, we will forward them on to you and ask the party who sent them to mail them directly to you in the future. Clients may call, write or email us to discuss questions they may have about particular proxy votes or other solicitations.

However, Separate Account Managers selected or recommended by our firm may vote proxies for clients. Therefore, except in the event a Separate Account Manager votes proxies, 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. Therefore (except for proxies that may be voted by a Separate Account Manager), our firm and/or you shall instruct your qualified custodian to forward to you copies of all proxies and shareholder communications relating to your investment assets.

ITEM 18. FINANCIAL INFORMATION

- A. If we require or solicit prepayment of more than \$1,200 in fees per *client*, six months or more in advance, we must include a balance sheet for our most recent fiscal year.

We do not require nor do we solicit prepayment of more than \$1,200 in fees per *client*, six months or more in advance. Therefore we have not included a balance sheet for our most recent fiscal year.

- B. If we are an SEC-registered adviser and have *discretionary authority* or *custody* of *client* funds or securities, or we require or solicit prepayment of more than \$1,200 in fees per *client*, six months or more in advance, we must disclose any financial condition that is reasonably likely to impair our ability to meet contractual commitments to *clients*.

We have nothing to disclose in this regard.

- C. If we have been the subject of a bankruptcy petition at any time during the past ten years, we must disclose this fact, the date the petition was first brought, and the current status.

We have nothing to disclose in this regard.