

Item 1: Cover Page for Part 2A of Form
ADV: Firm Brochure
January 2013

LINDBROOK CAPITAL

Lindbrook Capital, LLC
10877 Wilshire Boulevard, Suite 2000
Los Angeles, CA 90024
Telephone: (424) 208-8000

Firm Contact:
Tyler Dritz, Chief Compliance Officer

Firm Website Address:
www.lindbrookcapital.com

This brochure provides information about the qualifications and business practices of Lindbrook Capital, LLC. If you have any questions about the contents of this brochure, please contact our firm by telephone at (424) 208-8000 or by email at Tyler@Lindbrookcapital.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 Lindbrook Capital, LLC 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 Lindbrook Capital, LLC 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 firm's 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

Lindbrook Capital, LLC 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.

Last Annual Amendment Filing Date: 02/08/2012

Lindbrook Capital, LLC has amended its ADV Firm Brochure since our last annual amendment filing to include a new *Fund Management* service. For more information on this new service, please refer to Item 4: Advisory Business, Item 5: Fees and Compensation, and Item 10: Other Financial Industry Activities and Affiliations of our ADV Part 2A Firm Brochure.

Upon request, we shall furnish the entire Brochure to you free of charge.

Item 3: Table of Contents

<u>Section:</u>	<u>Page(s):</u>
Item 1: Cover Page for Part 2A of Form ADV: Firm Brochure	1
Item 2: Material Changes to Our Part 2A of Form ADV: Firm Brochure	2
Item 3: Table of Contents.....	3
Item 4: Advisory Business	4
Item 6: Performance-Based Fees & Side-By-Side Management	9
Item 7: Types of Clients & Account Requirements	9
Item 8: Methods of Analysis, Investment Strategies & Risk of Loss	10
Item 9: Disciplinary Information.....	11
Item 10: Other Financial Industry Activities & Affiliations.....	11
Item 11: Code of Ethics, Participation or Interest in Client Transactions & Personal Trading.....	11
Item 12: Brokerage Practices	12
Item 13: Review of Accounts or Financial Plans.....	15
Item 14: Client Referrals & Other Compensation	16
Item 15: Custody	17
Item 16: Investment Discretion	17
Item 17: Voting Client Securities.....	17
Item 18: Financial Information	17

Item 4: Advisory Business

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

Lindbrook Capital, LLC ("Lindbrook Capital") is dedicated to providing individuals and other types of clients with a wide array of investment advisory services. We specialize in Comprehensive Portfolio Management, Financial Planning and Consulting, Portfolio Monitoring, and Fund Management. Our firm is a limited liability company formed in the State of Delaware. We have been in business as an investment adviser since 2011 and are wholly owned by Lindbrook Partners, LLC.

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 planning/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, and tolerance for risk. Based on what we learn, we propose an investment approach to the client. We may propose an investment 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.

We may utilize Independent Money 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.

(ii) Financial Planning and Consulting:

We provide a variety of financial planning and consulting services to individuals, families and other clients regarding the management of their financial resources based upon an analysis of client's current situation, goals, and objectives. Generally, such financial planning services will involve preparing a financial plan or rendering a financial consultation for clients based on the client's financial goals and objectives. This planning or consulting may encompass one or more of the following areas: Investment Planning, Retirement Planning, Estate Planning, Charitable Planning, Education Planning, Corporate and Personal Tax Planning, Cost Segregation Study, Corporate Structure, Real Estate Analysis, Mortgage/Debt

Analysis, Insurance Analysis, Lines of Credit Evaluation, Business and Personal Financial Planning.

Our written financial plans or 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 education 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. For written financial planning engagements, we provide our clients with a written summary of their financial situation, observations, and recommendations. For financial consulting engagements, we usually do not provide our clients with a written summary of our observations and recommendations as the process is less formal than our planning service. Plans or 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.

(iii) Portfolio Monitoring

Our Portfolio Monitoring Service provides for safekeeping/housekeeping of assets on behalf of clients with no on-going supervision, trading, 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. We provide non-continuous and periodic outside account monitoring.

(iv) Fund Management

We may recommend a comprehensive fund management service for placements in LK Opportunities Fund, L.P. (the "Fund"). Our Fund Management service monitors Fund's investment portfolio and research and investigation in connection with the acquisition and disposition of investments.

We believe compelling investment opportunities exist as a result of unusual circumstances in the private debt markets, including continued stress and liquidation in the small and mid-size banking sector, substantial debt restructuring activity throughout the U.S. economy, an uncertain economic outlook and a general scarcity of capital in many areas of the private debt markets. We intend to manage the Fund to capitalize on these opportunities primarily outside the domain of the publicly traded equity and fixed income markets. We believes such investments are largely non-correlated to the public equity and fixed-income markets, offer excellent risk-adjusted returns and provide valuable diversification benefits to investors.

Please refer to the fund offering memorandum for important information regarding the fund, its management and related fees.

- 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 our firm's Comprehensive Portfolio Management service. Additionally, we offer general investment advice to clients utilizing our firm's Financial Planning and Consulting, Portfolio Monitoring, and Fund Management service.

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

We usually do not allow clients to impose restrictions on investing in certain securities or types of securities due to the level of difficulty this would entail in managing their account. In the rare instance that we would allow restrictions, it would be limited to our Comprehensive Portfolio Management.

- 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, financial goals, risk tolerance, etc. 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.

- 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.

We manage \$380,056,796 on a discretionary basis and \$64,428,086 on a non-discretionary basis as of December 2012. The total amount of assets under our management is \$444,484,882.

Item 5: Fees & 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 are generally not negotiable.

- 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 and a half percent (1.50%) of all assets under management. These fees are billed

on a pro-rata annualized basis quarterly in advance based on the value of your account on the last day of the previous quarter.

We pay compensation to Independent 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 Independent 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 Independent Managers for their services.

(ii) Financial Planning and Consulting:

We generally do not charge a fee for our separate financial planning and consultation services. If we do charge a fee, the maximum fee shall not exceed \$250,000.

(iii) Portfolio Monitoring:

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 and a half percent (1.50%) of all assets under management. These fees are billed on a pro-rata annualized basis quarterly in advance based on the value of your account on the last day of the previous quarter.

(iv) Fund Management

The Fund Management fee is 1.5% per annum of the Investor's aggregate Capital Contribution commencing on the Initial Closing Date; provided, however, that beginning the first year commencing immediately after the third anniversary of the Final Closing Date, the Management Fee due shall be an amount equal to 1.5% per annum of the net asset value of the Investor's Interest. Fee payments shall be made semiannually in advance on the first day of each calendar semiannual period, or in the case of the first such payment, the pro-rated portion of the fee. **We reserve the right to waive any part of the fee for any Fund at any time.**

Allocation of Management Fee. Any compensation payable pursuant to the above shall be allocated to fund managers: 66.66% to Keystone National Group, LLC and 33.33% to Lindbrook Capital; provided, however, if the Fund receives subscriptions for total aggregate capital commitments in an amount greater than or equal to \$50,000,000, then any compensation payable pursuant to the fee described above, derived solely from capital commitments to the Fund in excess of \$25,000,000 shall be allocated 50.0% to Keystone National Group, LLC and 50.0% to Lindbrook Capital.

For example, if partners to the Fund subscribed for total aggregate capital commitments of \$30,000,000 and were assessed a 1.5% annual management fee, then the proceeds attributable to such annual management fee would be allocable \$300,000 to Keystone National Group, LLC and \$150,000 to Lindbrook Capital. If partners to the Fund subscribed for total aggregate capital commitments of \$50,000,000 and were assessed a 1.5% annual management fee, then the proceeds attributable to such annual management fee would be allocable \$437,500 to Keystone National Group, LLC and \$312,500 to Lindbrook Capital.

Compensation attributable to any performance (carried interest) fees would be allocable similarly.

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 advance based on the value of your account on the last day of the previous quarter. Fees will generally be automatically deducted from your managed account*.

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 that urges the client to compare information provided in their statements with those from the qualified custodian in account opening notices and subsequent statements sent to the client for whom the adviser opens custodial accounts with the qualified custodian as required by paragraph (a)(2) of Rule 206(4)-2 under the Investment Advisers Act of 1940.

*We do not offer direct billing as an option to our comprehensive portfolio management clients.

(ii) Financial Planning and Consulting:

We require a retainer of fifty-percent (50%) of the ultimate financial planning or consulting fee with the remainder of the fee directly billed to you and due to us within thirty (30) days of your financial plan being delivered or consultation rendered to you. In all cases, we will not require a retainer exceeding \$1,200 when services cannot be rendered within 6 (six) months.

(iii) Portfolio Monitoring:

We will directly bill you for our portfolio monitoring service. Our bill is due and payable within thirty (30) days.

(iv) Fund Management

Please refer to the offering memorandum of the Fund for information about the billing for advisory fees of the Fund. Please note that you will not be charged for an advisory fee by Lindbrook Capital for placements in the Fund. Funds fees will be charged by the Fund only.

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.

Non-Wrap fee 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).

If our client chooses to have a mutual fund position, we will manage those securities under our Wrap Fee Program. Wrap fee clients will receive our Form ADV, Part 2A, Appendix 1 (the "Wrap Fee Program Brochure"). Our wrap fee clients will not incur transaction costs for trades. More information about our "Mutual Fund Wrap Fee Program" is disclosed in our separate Wrap Fee Program Brochure.

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

We charge our advisory fees quarterly in advance. In the event that you wish to terminate our services, we will refund the unearned portion of our advisory fee to you. You need to contact us in writing and state that you wish to terminate our services. Upon receipt of your letter of termination, we will proceed to close out your account and process a pro-rata refund of unearned advisory fees.

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 & Side-By-Side Management

We do not charge performance fees to our clients through Lindbrook Capital, LLC. Please refer to the offering memorandum for LK Opportunities Fund, L.P.

Item 7: Types of Clients & 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 do not require a minimum account balance for our comprehensive portfolio management service.
- We require a minimum \$1,000,000 commitment for our Fund Management service. However, we have the discretion to retain the right to accept commitments less than \$1,000,000.

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

Methods of Analysis:

- Charting;
- Fundamental;
- Technical;
- Cyclical.

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);
- Underlying Fund Investments;
- Co-Investments;
- Direct Investments;
- Purchases of Secondary Partnership Interests.

Please note:

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

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. Ultimately, we try to achieve the highest return on our client's cash balances through relatively low-risk conservative investments. 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, asset management service and portfolio monitoring, as applicable.

Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to our client's or prospective client's evaluation of our advisory business or the integrity of our management.

Item 10: Other Financial Industry Activities & Affiliations

Lindbrook Capital is a partner of LK Opportunities Fund, L.P. (the "Fund"). The Fund will invest in a highly diversified portfolio of private debt-oriented investments, specialty finance opportunities and undervalued assets. Lindbrook Capital along with co-partner Keystone National Group, LLC shall make up the Fund's investment committee, which requires unanimous consent on all investments.

The conflict of interest inherent in this type of relationship has been removed since partners of the Fund affiliated with Lindbrook Capital will not accept their fund management fee for clients of Lindbrook Capital who become partners in the Fund. Management fees earned by non-affiliated Fund partners will be collected. It should still be noted that clients' interests will be placed above those of our firm and its related persons as well as the Fund, particularly when our clients are recommended to invest in the Fund. Clients are never under any obligation to invest in the Fund.

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

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 accounts. 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.

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).

We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others, these:

- Ability to maintain the confidentiality of trading intentions
- Timeliness of execution
- Timeliness and accuracy of trade confirmations
- Liquidity of the securities traded
- Willingness to commit capital
- Ability to place trades in difficult market environments
- Research services provided
- Ability to provide investment ideas
- Execution facilitation services provided
- Record keeping services provided
- Custody services provided
- Frequency and correction of trading errors
- Ability to access a variety of market venues
- Expertise as it relates to specific securities
- Financial condition
- Business reputation

With this in consideration, our firm has an arrangement with 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. We may also manage assets at client's request that are custodied at other qualified custodians.

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.

Fidelity may make certain research and brokerage services available at no additional cost to our firm. These services may be directly from independent research companies, as selected by our firm (within specific parameters). Research products and services provided by Fidelity may include research reports on recommendations or other information about, particular

companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment for use in running software used in investment decision-making; and other products or services that provide lawful and appropriate assistance by Fidelity to our firm in the performance of our investment decision-making responsibilities.

- 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.

We do not use client brokerage commissions to obtain research or other products or services. The aforementioned research and brokerage services 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.

- 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 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.

We do not receive soft dollar benefits although the non-soft dollar 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.

- e. Description of the types of products and services our firm or any of our related persons acquired with client brokerage commissions (or markups or markdowns within our last fiscal year.

We do not acquire client brokerage commissions (or markups or markdowns).

- f. Explanation of the procedures we used during our last fiscal year to direct client transactions to a particular broker-dealer in return for soft dollar benefits we received.

We do not receive have any soft dollar relationships and do not direct client transactions to a particular broker-dealer in return for soft dollar benefits.

- 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.

Neither we nor any of our firm's related persons have 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. We routinely recommend that a client directs us to execute through Fidelity. Each client will be required to establish their account(s) with Fidelity if not already done. Please note that not all advisers have this requirement.

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.

- 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 or Financial Plans

- A. Review of client accounts or financial plans, 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 Comprehensive Portfolio Management, Portfolio Monitoring, and Fund Management. 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 Financial Advisors or Portfolio Managers will conduct reviews.

Financial planning clients do not receive reviews of their written plans unless they take action to schedule a financial consultation with us. We do not provide ongoing services to financial

planning clients, but are willing to meet with such clients upon their request to discuss updates to their plans, changes in their circumstances, etc.

- 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 do not provide written reports to clients, unless asked to do so. Verbal reports to clients take place on at least an annual basis when we meet with clients who subscribe to Comprehensive Portfolio Management and Portfolio Monitoring.

As mentioned in Item 13A of this Brochure, financial planning clients do not receive written or verbal updated reports regarding their financial plans unless they separately contract with us for a post-financial plan meeting or update to their initial written financial plan.

Item 14: Client Referrals & 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 may 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. Such referral fee represents a share of our investment advisory fee charged to our clients. This arrangement will not result in higher costs to you. In this regard, we maintain Solicitors Agreements in compliance with Rule 206 (4)-3 of the Investment Advisers Act of 1940 and applicable state and federal laws. All clients referred by Solicitors to our firm will be given full written disclosure describing the terms and fee arrangements between our firm and Solicitor(s). In cases where state law requires licensure of solicitors, we ensure that no solicitation fees are paid unless the solicitor is registered as an investment adviser representative of our firm. If we are paying solicitation fees to another registered investment adviser, the licensure of individuals is the other firm's responsibility.

Item 15: Custody

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.

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.

Item 16: Investment Discretion

We accept discretionary authority to manage client accounts. Our clients need to sign a discretionary investment advisory agreement with our firm for the management such accounts. This type of agreement only applies to our Comprehensive Portfolio Management clients. We do not take or exercise discretion with respect to our other clients.

Item 17: Voting Client Securities

We do 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.

Item 18: Financial Information

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. Lindbrook Capital LLC has never been the subject of a bankruptcy petition.