

**ITEM 1- COVER PAGE**

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*This brochure provides information about the qualifications and business practices of Doliver Capital Advisors. If you have any questions about the contents of this brochure, please contact us at 713.917.0022 and/or TTredennick@doliveradvisors.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any State Securities Authority.*

*Additional information about Doliver Capital Advisors is also available at the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (click on the link, select "investment adviser firm" and type in our firm name). Results will provide you both Part 1 and 2 of our Form ADV.*

We are a registered investment adviser with the Securities and Exchange Commission. Our registration as an Investment Adviser does not imply any level of skill or training. The oral and written communications we provide to you, including this Brochure, is information you use to evaluate us (and other advisers) which are factors in your decision to hire us or to continue to maintain a mutually beneficial relationship.

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## ITEM 2 – MATERIAL CHANGES<sup>1</sup>

### I. Initial Filing on March 1, 2011:

- A. This is our “initial” filing of what we regard as “The New Part 2” of our Form ADV. As a result, this document, dated March 1, 2011 is brand new. This document was developed in response to new requirements adopted and imposed by the Securities and Exchange Commission (SEC) under the Investment Advisers Act of 1940 (IA Act). As a result, this Disclosure Brochure is substantially different from previous versions and includes disclosures not specifically required by the Old Part II.
- B. As a result, this “Brochure” should be considered “materially new” although you will recognize most of the disclosures as similar or identical to what you have read in the past. New disclosures in this document include those items previously not requested, including:
- i. The elimination of Part II, Pages 1-6 (or the old check the box pages).
  - ii. The elimination of Part II, schedule f.

II. In future filings, this section of the Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

III. We may, at any time, update this Brochure and either send you a copy or offer to send you a copy (either by electronic means (email) or in hard copy form).

IV. If you would like another copy of this Brochure, please download it from the SEC Website as indicated above or you may contact our **Chief Compliance Officer, Edward (Ted) Tredennick** at 713.917.0022 or [TTredennick@doliveradvisors.com](mailto:TTredennick@doliveradvisors.com).

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<sup>1</sup> Material changes are a summary of what your firm has determined are “material” from the initial Part 2 or from a previous version.

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## ITEM 4 – ADVISORY BUSINESS

### I. OVERVIEW OF THE FIRM.

Doliver Capital Advisors L.P. (Doliver) is an investment advisory firm registered with both the Security Exchange Commission and the Texas Securities Board. The assets under management consist of retirement funds, individual retirement accounts, foundations, children's trusts, and family/individual accounts.

Although not fully operational for outside accounts until 1988, the investment concepts employed by Doliver (previously Deep Discount Advisors and Ron Olin Investment Management Company) began some forty years ago, when Ronald G. Olin, after graduating from Rice University, joined IBM and began work on ground-based computer systems for the Apollo space program at NASA. During his 17 year professional career, in which he directed programmer staffs involved with satellite systems and the space shuttle program, Ron developed an extensive engineering and computer background which enhanced an unusual analytical ability.

Coincidental to his highly technical background, Ron enjoyed a life-long vocational interest in investment theory and the workings of the various financial markets. He spent considerable personal time exploring the volumes of research published by scholars in the field and was ultimately convinced of two overriding conclusions: the market in general is very "efficient" or fairly priced, and no one can predict the stock market. Most stocks are traded between sophisticated money managers who have access to essentially the same information. Further, only a small percentage of managers outperform Market Indexes in any given year and an even smaller percentage do so over the long-term. These factors led Ron to focus his attention on a relatively small niche in the market where these professionals rarely function. He believed that, with proper analysis and sufficient effort, inefficiencies, or inappropriately priced securities, could be identified and profitably exploited.

Using these concepts, Ron Olin began managing family money in 1981 and left IBM in 1988 in order to devote full time to the investment markets. Ron combined his technical professional background with his knowledge of the financial markets and created a uniquely effective means of identifying and exploiting these inefficiencies in the market.

Since 2005, Ralph McBride has been the sole owner of the firm. As of January 31, 2010, Doliver's assets under management (AUM) totaled \$176,565,854.42. All assets are managed on a discretionary basis.

## ITEM 5 – FEES AND COMPENSATION

### I. FEE SCHEDULE DEFINITIONS

- A. **Net Asset Value** is defined as the sum of net equity across all of each client's managed accounts including the effect of securities receivable and corresponding sums (including fees) payable, plus any distributions, dividends, fee credits receivable, or tax credits receivable. All securities held in the managed account will be included in **Net Asset Value**, without regard to the nature of the control granted to the adviser.
- B. **Net Performance** for any period is defined as the change in **Net Asset Value** after considering commission and interest expenses less any additional funds placed under management by the client plus any withdrawals by the client.
- C. **Net Rate of Return** for any period is the **Net Performance** for the period divided by the beginning **Net Asset Value** for the period.

### II. FEE SCHEDULE. Our standard, performance based fee schedule is as follows (lower fees for comparable services may be available from other sources):

Our management fee is a basic annual fee of 1.0% of assets under management payable quarterly based on the *beginning* quarter **Net Asset Value**.

A performance adjustment increase for (or decrease) from 0.2% to 0.4% of beginning quarter net assets for each 1.0% that the **Net Rate of Return** exceeds (or falls short of) the T-Bill return for the same time period will be accumulated from the inception of the account, and any resulting fees due us will be payable quarterly after the first year. Any fee reduction resulting from the cumulative performance adjustment will be carried as a fee credit against any current and subsequent client fees due. We reserve the right to negotiate the above fee schedule if we consider such negotiation advisable.

The inclusion of fee payables and fee credits in the account used to calculate fees will have a small, non-material effect, over time, on the total fees paid. Generally, performance fees accumulated but not paid during the first year of an account will result in the client paying minimally less total fees than would otherwise be the case, and future fee credits accumulated by the client will result in the client paying minimally higher total fees than would otherwise be the case. Sufficient information is provided in the reports to clients in order to permit them to calculate the differences in fees based on their particular circumstances. We will provide assistance to any client who so requests such a determination.

### III. FEE PAYMENT OPTIONS: As indicated in our advisory agreement with you, there are two options you may select to pay for our services:

- A. **Direct debiting (preferred):** At the inception of the relationship and each quarter thereafter, we will notify your custodian of the amount of the fee due and payable to us through our fee schedule and contract. The custodian does not validate or check our fee, its calculation on the assets on which the fee is based. They will "deduct" the fee

from your account(s) or, if you have more than one account from the account you have designated to pay our advisory fees.

Each month, you will receive a statement directly from your custodian showing all transactions, positions and credits / debits into or from your account; the statements after the quarter end will reflect these transactions, including the advisory fee paid by you to us.

- B. Pay-by-check:** At the inception of the account and each quarter thereafter, we issue you an invoice for our services and you pay us by check or wire transfer within 15 days of the date of the invoice.

#### **IV. ADDITIONAL FEES AND EXPENSES:**

Advisory fees payable to us do not include all the fees you will pay when we purchase or sell securities for your Account(s). The following list of fees or expenses are what you pay directly to third parties, whether a security is being purchased, sold or held in your account(s) under our management. Fees charged are by the broker dealer / custodian. We do not receive, directly or indirectly any of these fees. They are paid to your broker, custodian or the mutual fund or other investment you hold. The fees include:

- Brokerage commissions;
- Transaction fees;
- Exchange fees;
- SEC fees;
- Advisory fees and administrative fees charged by funds;
- Advisory fees charged by sub-advisers (if any are used for your account);
- Custodial Fees;
- Deferred sales charges (on MF or annuities);
- Odd-Lot differentials;
- Deferred sales charges (charged by MFs);
- Transfer taxes;
- Wire transfer and electronic fund processing fees;
- Commissions or mark-ups / mark-downs on security transactions ;
- Among others that may be incurred.

In addition, we do not have or employ any "Employee" at all that receives (directly or indirectly) any compensation from the sale of securities or investments that are purchased or sold for your account or to which we provide consulting expertise / services. As a result, we are a "fee only" investment adviser. We do not have any potential conflicts of interest present that relate to any additional (and undisclosed) compensation from you or your assets that we manage.

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## ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Our standard fee schedule is comprised of both a management and performance-based fee (lower fees for comparable services may be available from other sources):

- I. **MANAGEMENT FEE:** A basic annual fee of 1.0% (.25% quarterly) of assets under management payable quarterly based on the *beginning* quarter **Net Asset Value**.
- II. **PERFORMANCE-BASED FEE:** Any fee reduction resulting from the cumulative performance adjustment will be carried as a credit against any current and subsequent client fees due. We reserve the right to negotiate the above fee schedule if it considers such negotiation advisable.
  - A. **Core Strategy:** The performance-based fee is comprised of plus or minus 20% of the amount that the return exceeds or underperforms the 90-day Treasury bill rate.
  - B. **Market Hedged Strategy:** The performance-based fee is comprised of plus or minus 30% of the amount the return exceeds or underperforms the 90-day Treasury bill rate.
  - C. **Market Neutral Strategy:** The performance-based fee is comprised of plus or minus 40% of the amount that the return exceeds or underperforms the 90-day Treasury bill rate.

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## ITEM 7 – CLIENTS

**I. TYPES OF CLIENTS:** We provide our services to a number of clients:

High net worth individuals,  
Trusts, estates and charitable organizations,  
Private equity (Consulting only),  
Corporations or other business entities,  
Taft-Hartley plans, governmental plans, municipalities,  
Not for profit entities,  
Among others.

**II. SUITABLE CLIENTS:** We will only enter into investment advisory contracts under this arrangement with individuals or companies who have certified that, immediately after entering into the contract, have \$750,000 under the management of the Advisor or whose net worth, at the time the advisory contract is entered into, exceeds \$1,500,000 exclusive of personal automobiles, personal residence, and furnishings.

Our compensation formula, which measures the performance of an advisory account against a risk-free rate of return, includes, in the case of securities for which market quotations are readily available, the realized capital losses and unrealized capital depreciation of the securities over the period. We will not render investment advice with respect to any securities for which market quotations are not readily available.

Any performance adjustment compensation paid to us will be based on the gains less the losses (computed in accordance with the foregoing rules) in the client's account for a period of not less than one year. The client may terminate the advisory agreement at any time by giving written notice to us, and the account value used in determining the final performance fee adjustment will be based on the next available closing market values on major exchanges. In the event of account termination, there will be no refund of any previously paid advisory fees.

This arrangement may create an incentive for us to make investments that are riskier or more speculative than would be the case in the absence of such a fee arrangement, and we may receive increased compensation with regard to unrealized appreciation as well as realized gains in the client's account. The period which will be used to measure investment performance for the purpose of calculating regular performance related fee payments will be at least one year. We will use the yield from the Treasury Bills as a comparative measure of investment performance. This measure of performance is significant because it represents a risk-free rate of return. We believes this measure is appropriate because it is the Industry standard for the secured value of short-term money.

**III. NON-SUITABLE CLIENTS:** For clients who do not satisfy the net worth or account size requirements necessary for the performance based fee, the advisory fee will instead be 0.7% of net assets each quarter (2.8% annual rate) or a minimum quarterly fee of \$700, whichever is greater.



Finally, we will not enter into any advisory contract unless we reasonably believe, prior to entering into the contract, that the client, alone or together with the client's independent agent, understands the proposed method of compensation and its risks.

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## ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

- I. **ANALYSIS:** We use proprietary as well as otherwise available techniques for determining "fair values" for various securities and options, and attempts to exploit inefficiencies in the prices of these items. Leverage through margin debt is sometimes used in an attempt to enhance return, realizing that this may also result in a somewhat higher risk.
- II. **INVESTMENT STRATEGIES:** We employ the following three investment strategies:
- A. **Core Strategy:** We purchase underpriced closed-end funds (CEFs) that participate in long-term market returns. This strategy continues to be both non-leveraged and subject to normal market fluctuations. Core is most suitable for self-directed retirement programs (i.e. IRAs), pension plans, and generally those who wish to profit from the long-term, upward direction of the market.
  - B. **Market Hedged Strategy:** We purchase underpriced CEFs, but may hedge against overall market movements by shorting exchange-traded funds (ETFs) or other instruments which participate in overall market movements. Because clients may select a level of leverage in this strategy, it may not be suitable for certain types of retirement accounts.
  - C. **Market Neutral Strategy:** We purchase underpriced CEFs and sell overpriced CEFs. In other words, this strategy is both long and short, and thereby reduces and possibly eliminates overall market exposure. This strategy may use leverage as well.
- III. **RISK OF LOSS:** All investments in securities include a risk of loss of your principal (invested amount) and any profits that have not been realized (the securities were not sold to "lock in" the profit). As you know, stock markets and bond markets fluctuate substantially over time. In addition, as recent global and domestic economic events have indicated, performance of any investment is not guaranteed. As a result, there is a risk of loss of the assets we manage that may be out of our control. We will do our very best in the management of your assets; however, we cannot guarantee any level of performance or that you will not experience a loss of your account assets.

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## ITEM 9 – DISCIPLINARY INFORMATION

We do not have any legal, financial or other "disciplinary" item to report to you. We are obligated to disclose any disciplinary event that would be material to you when evaluating us.

This statement applies to our firm and every employee.

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## ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

It is solely the client's decision where to maintain a brokerage account and the negotiation of commission rates between the client and his selected Broker-Dealer, although we may not accept or may terminate an account if we consider the commissions to be too high. When a client is referred by a broker-dealer, we may not negotiate commissions and this may lead to a client incurring somewhat higher transaction costs than those clients who were not referred by a specific broker-dealer. This represents a potential conflict of interest between our fiduciary duty to advisory clients and our desire to continue to receive referrals from broker-dealers with which the portfolio transactions are executed.

- I. OUTSIDE FEE ARRANGEMENT:** We have an arrangement with Ascension Capital Advisors, a registered investment advisor, whereby compensation of gross advisory fees collected for the duration of an account will be paid for client referrals.

Paul Thompson, a principal of Ascension Capital Advisors is also affiliated with Dominion Investor Services, Inc.; a registered broker dealer. No part of any commissions is received by Doliver or any of its officers, directors, or employees.

Appropriate additional disclosure required by Regulation 275, 206(4)-3 is provided to clients. No such fees will be paid to Ascension Capital Advisors unless they represent that they have obtained and maintain all necessary authorizations, qualifications, and/or exemptions required under federal and state law.

We may suggest various broker-dealers that we trust and have relationships with in the event the client does not already have one.

- II. OUTSIDE BUSINESS AFFILIATION:** Ralph McBride, the co-founder and owner of the firm, is also an attorney and senior partner at Bracewell & Giuliani, LLP (formerly Bracewell & Patterson, LLP). In addition, he serves on various Boards of Directors including Pride International, Inc. and the Memorial Hermann Hospital System. His involvement with these entities does not present any conflicts of interest that are improper in regards to our clients.

- III. PENDING FINANCIAL REGISTRATION:** We are required to disclose any pending applications with other financial institutions. As such, we disclose that our firm has applied to be a commodity trading advisor (CTA) with both the U.S. Commodity Futures Trading Commission (CFTC) and the National Futures Association (NFA). In addition, the following people have applied to be individually registered with both the CFTC and the NFA:

- A. Ralph McBride as a principal.
- B. Edward Tredennick as a principal and associated person.
- C. Jingpu Shi as an associated person.
- D. Richard Jackson as an associated person.

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## ITEM 11 – CODE OF ETHICS

As required by regulation (and because it's good business), we have adopted a Code of Ethics (Code) that governs a number of potential conflicts of interest we have when providing our advisory services to you. This Code of Ethics is designed to ensure we meet our fiduciary obligation to you, our client (or prospective client), and to drive home a culture of compliance within our firm.

An additional benefit of our Code is to detect and prevent violations of securities laws, including our obligations we owe to you.

Our Code is comprehensive, is distributed to each employee at the time of hire, and annually thereafter (if there are changes). We also supplement the Code with annual training and on-going monitoring of employee activity.

We provide our Code of Ethics to our clients upon request. You may request a complete copy of our Code by contacting Edward (Ted) Tredennick - Chief Compliance Officer at [TTredennick@doliveradvisors.com](mailto:TTredennick@doliveradvisors.com)

### **I. OUR CODE INCLUDES THE FOLLOWING:**

**A.** Requirements related to the confidentiality of our client information.

**B.** Prohibitions on:

- i. Insider trading (if we are in possession of material, non-public information)
- ii. The acceptance of gifts and entertainment that exceed our policy standards

**C.** Reporting of gifts and business entertainment.

**D.** Clearance of employee and firm transactions.

**E.** Reporting (on an on-going and quarterly basis) all personal securities transactions (what we call "reportable securities" as mandated by regulation).

**F.** On an annual basis, we require all employees to re-certify to our Code, identify members of their household and any account to which they have a beneficial ownership (they "own" the account or have "authority" over the account), securities held in certificate form and all securities they own at that time).

### **II. PERSONAL TRADING BY EMPLOYEES.**

Our Code does not prohibit personal trading by our employees (or our firm). As you may imagine, as a professional investment adviser, we follow our own advice. As a result, we may purchase or sell the same or similar securities (or securities that are suitable for an employee or related account but not suitable for any client, including you) at the same time that we place transactions for your account and the accounts of our other clients.

All our employees must scrupulously avoid serving their own personal interests ahead of the interests of our clients. Employees may not induce or cause a client to take action, or not to take action, for personal benefit, rather than for the benefit of the client.

### **III. PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS - POTENTIAL CONFLICTS OF INTEREST**

In order for us to comply with the rules of the SEC relating to record keeping by investment advisors, we require all related parties (which at the present time includes all of our representatives within the meaning of Rule 204-2(12) of the Investment Advisors Act of 1940 to report to us all transactions in securities (other than U.S. government obligations) for their own account or for any non-client accounts over which they have direct control or are beneficial owners. We disclose to our clients the fact that our representatives may or may not purchase or sell securities which we are purchasing or selling for clients and the corresponding records are available for client inspection. This means that some clients and/or related parties may be buying certain securities in the same time frame that others are selling and vice versa.

Since similar positions are often, but not always initiated and liquidated across all accounts as well as our accounts and related parties, a potential conflict of interest exists concerning the sequence and timing of order execution. Because of unpredictable price changes over time, some accounts, including those of related parties, may benefit relative to other accounts as a result of receiving better buying and selling prices in the same securities.

The possibility exists both in acquiring and liquidating large positions across all accounts that only a portion of the position can be executed at favorable prices at any one time. In such cases, certain accounts, including those of related parties, may temporarily benefit at the expense of others depending on whether later executions occur at more or less favorable prices. Furthermore, certain securities may only be purchased for, or sold from, a small number of accounts, including those of related parties. To the extent that such purchases or sales turn out to be beneficial or detrimental, such accounts may perform better or worse than those accounts which did not participate in such transactions.

We recognize that our principals, employees, or any person associated with us are free to make investments for their own accounts so long as those investments do not represent a breach of fiduciary responsibilities to clients. Investment of principals, employees, or members of their immediate families should not be made with an advantage over client investments. Correspondingly, all transactions by such entities should be on the same basis as those for clients. To insure compliance with this policy, no transactions in closed-end funds are permitted in related accounts except as administered by us on the same basis as client transactions. A record of all such transactions will be maintained and performance results will be calculated for related party accounts in a manner similar to that calculated for client accounts. Such transactions and performance calculations will be available for review and inspection by any client requesting such information. For blocked trades, the same allocation procedures will be applied to all accounts, both client and related, insuring that no advantage accrues to any account. Such allocations will be documented in a manner such that any outside party can review the conditions existing at the time of the allocation

and verify that the allocation procedure has been followed. We will maintain timely records of all advisory representatives' personal securities transactions which will be logged in and reviewed monthly for compliance by our Chief Compliance Officer. Quarterly, our president will review the records maintained by the Chief Compliance Officer to insure he is complying with the procedures.

Our accounts' and related accounts' participation in allocation of bunched transactions may cause both advisory clients and our related accounts to pay a higher price for a security than would otherwise be the case, or cause a client to forego an investment opportunity to the extent that our related accounts are receiving part of that investment opportunity instead.

#### **IV. INSIDER TRADING POLICY**

From time to time, personnel associated with us may obtain, but are prohibited from using, non public material information, also known as "inside information." Considering insider trading, personnel associated with us must at all levels act as fiduciaries. This policy is enforced to insure that no one is taking advantage of his or her position, or even having the appearance of placing his or her own interests above those for whom they have fiduciary responsibility.

Material inside information is any information about a company or the market for the company's securities which has come directly or indirectly from the company and which has not been disclosed generally to the marketplace, the dissemination of which is likely to affect the market price of any of the company's securities or is likely to be considered important by reasonable investors, including reasonable speculative investors, in determining whether to trade in such securities. Information is presumed "material" if it relates to such matters as dividend increases or decreases, earnings estimates, changes in previously released estimates, significant expansion or curtailment of operations, significant merger or acquisition proposals or agreements, major litigation, extraordinary management developments, etc.

Whenever our personnel receive material information about a company which he or she knows or has reason to believe is directly or indirectly attributable to such company or its insiders, that person must determine that the information is public before trading or recommending trading on the basis of such information or before divulging such information to any person who is not an employee of Doliver or a party to the material or is inside and not public, he or she must resolve the question or questions before trading, recommending trading, or divulging the information. If any doubt remains, that person must consult with management or us before any trading or recommendation is made. In view of the many forms in which the subject can arise, a careful and conservative approach must prevail and no action should be taken where "inside information" may be involved without a thorough review by our management.

We have adopted a Code of Ethics to insure that securities transactions by our employees are consistent with the firm's fiduciary duty to our clients and to ensure compliance with legal requirements and our standards of business conduct. We require transaction confirmation and quarterly reporting from those employees who trade their own accounts apart from Doliver.

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## **ITEM 12 – BROKERAGE PRACTICES**

### **I. INVESTMENT OR BROKERAGE DISCRETION**

Ordinarily, no limitations are imposed on Advisor authority. Each client will sign an authorization enabling the Advisor to execute securities transactions without specific consent of the client.

The Advisor may recommend a number of securities brokers to clients in order to reduce commission and other costs. No recommendations with respect to a broker are made solely on the basis of price. However, any client may elect to utilize the brokers of its choice, with no restrictions.

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## **ITEM 13 – REVIEW OF ACCOUNTS**

### **I. NATURE & FREQUENCY OF REVIEW**

A company representative will review the brokerage information recorded for each account in order to verify its accuracy. A duplicate of this information is also received by the client. The account of the client is continuously monitored in order to implement the firm's overall investment strategy decisions based on client preferences.

### **II. QUARTERLY REPORTS**

We provide a quarterly report detailing the current market position, deposits, withdrawals, securities purchased and sold, margin debt, miscellaneous expenses, dividends received and receivable, and fees to be paid to each client.

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## **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

As mentioned previously, we have an arrangement with Ascension Capital Advisors, a registered investment advisor, whereby compensation of gross advisory fees collected for the duration of an account will be paid for client referrals.

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## ITEM 15 – CUSTODY

We do not have custody of client funds. However, we urge you, our client, to compare the account statement you receive from your qualified custodian and the statements provided by us.

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## ITEM 16 – INVESTMENT DISCRETION

### I. SECURITIES.

As your investment advisor, we will exercise the authority to determine, without obtaining your specific client consent, both the securities to be bought and sold as well as the amount of securities to be bought and sold.

### II. BROKER OR DEALER USED.

We will *not* choose the broker or dealer to be used without obtaining your specific client consent.

### III. COMMISSION RATES.

We will *not* determine the commission rates paid without obtaining your specific client consent.

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## ITEM 17 – VOTING CLIENT SECURITIES (PROXY VOTING)

The client has and retains the sole power to vote all securities in the client's accounts. The client does not grant advisor a proxy to vote any of the securities in the client's accounts. We shall not vote any of the securities in the client's accounts and shall not provide instructions to the client's broker in respect of the voting of any of such securities. We shall not be required to take any action or render any advice with respect to the voting of any of the securities in the client's accounts. The client should vote his or her securities in the way he or she personally decides.



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**ITEM 18 – FINANCIAL INFORMATION**

Registered investment advisers are required in this item to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to clients, and have not been the subject of a bankruptcy proceeding.

We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, therefore have no additional financial disclosures to make.

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## ITEM 19 – BUSINESS CONTINUITY PLAN

In the event of an unforeseen circumstance which would prevent us from being able to work at our primary place of business, we have implemented the following Disaster Recovery Plan.

- I. CHIEF COMPLIANCE OFFICER'S RESPONSIBILITY:** Located at the home of the Chief Compliance Officer (CCO), we have a computer and supply box to aid in the time of crisis. The box contains the following:
- A.** Copy of Accounting matrix. Each week, the Chief Accounting Officer (CAO) saves a copy of the matrix and provides the disk to the CCO who takes it and places it in this offsite box. This matrix holds all the accounting data for the client's accounts and contact information for clients. This disk could be restored to the offsite computer to continue operation.
  - B.** Stationary which includes letterhead & envelopes.
  - C.** Printed mailing labels.
  - D.** Printed client list which includes client's address and phone numbers.
  - E.** An employee contact list which includes emergency phone numbers and passwords to e-mail accounts.
  - F.** Supplies which includes stapler, pens, paperclips.
  - G.** Copies of discretionary account agreements.
  - H.** Listing of all current brokers, along with their phone numbers and e-mail addresses.

Also, the Chief Accounting Officer provides a daily backup of her computer onto an external USB drive which she takes home each night. This USB drive backs up the Doliver and shared directories (matrix, e-mail archives, reports, filings, invoices). The restoration of this backup to a computer has been tested (Fall 2007) to ensure the process works. All brokers and clients would be immediately notified in the case of a change in work venue.