

## Uniform Application for Investment Adviser Registration

## Part II - Page 1

OMB APPROVAL

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Name of Investment Adviser:

DOHENY ASSET MANAGEMENT, L.L.C.

Address: (Number and Street)

(City)

(State)

(Zip Code)

Area Code Telephone Number

10877 Wilshire Blvd., #1406

Los Angeles

CA

90024

310 209-5500

**This part of Form ADV gives information about the investment adviser and its business for the use of clients.  
The information has not been approved or verified by any governmental authority.**

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(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential Persons who are not to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Applicant: DOHENY ASSET MANAGEMENT, L.L.C.	SEC File Number: 801- 43726	Date: 08/25/2010
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**1. A. Advisory Services and Fees.** (check the applicable boxes)

For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)

**Applicant:**

- |   |         |
|---|---------|
| <input checked="" type="checkbox"/> (1) Provides investment supervisory services  | 100 %   |
| <input type="checkbox"/> (2) Manages investment advisory accounts not involving investment supervisory services   | _____ % |
| <input type="checkbox"/> (3) Furnishes investment advice through consultations not included in either service described above   | _____ % |
| <input type="checkbox"/> (4) Issues periodicals about securities by subscription  | _____ % |
| <input type="checkbox"/> (5) Issues special reports about securities not included in any service described above  | _____ % |
| <input type="checkbox"/> (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which client may use to evaluate securities | _____ % |
| <input type="checkbox"/> (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities  | _____ % |
| <input type="checkbox"/> (8) Provides a timing service  | _____ % |
| <input type="checkbox"/> (9) Furnishes advice about securities in any manner not described above  | _____ % |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

Yes No

B. Does applicant call any of the services it checked above financial planning or some similar term?

☐ ☒

C. Applicant offers investment advisory services for: (check all that apply)

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> (1) A percentage of assets under management | <input type="checkbox"/> (4) Subscription fees |
| <input type="checkbox"/> (2) Hourly charges                                     | <input type="checkbox"/> (5) Commissions       |
| <input type="checkbox"/> (3) Fixed fees (not including subscription fees)       | <input checked="" type="checkbox"/> (6) Other  |

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

**2. Types of Clients** -- Applicant generally provides investment advice to: (check those that apply)

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> A. Individuals                      | <input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations                    |
| <input type="checkbox"/> B. Banks or thrift institutions                | <input checked="" type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input type="checkbox"/> C. Investment companies                        | <input type="checkbox"/> G. Other (describe on Schedule F)   |
| <input checked="" type="checkbox"/> D. Pension and profit sharing plans |  |

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

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

- |   |  |
|---|--|
| <input type="radio"/> A. Equity securities  | <input type="radio"/> H. United States governmental securities   |
| <input type="radio"/> (1) exchange-listed securities                                |  |
| <input type="radio"/> (2) securities traded over-the-counter                        | <input type="radio"/> I. Options contracts on:                   |
| <input type="radio"/> (3) foreign issuers   | <input type="radio"/> (1) securities                             |
|   | <input type="radio"/> (2) commodities                            |
| <input type="radio"/> B. Warrants   |  |
| <input type="radio"/> C. Corporate debt securities<br>(other than commercial paper) | <input type="radio"/> J. Futures contracts on:                   |
| <input type="radio"/> D. Commercial paper   | <input type="radio"/> (1) tangibles                              |
| <input type="radio"/> E. Certificates of deposit                                    | <input type="radio"/> (2) intangibles                            |
| <input type="radio"/> F. Municipal securities                                       | <input type="radio"/> K. Interests in partnerships investing in: |
|   | <input type="radio"/> (1) real estate                            |
| <input type="radio"/> G. Investment company securities:                             | <input type="radio"/> (2) oil and gas interests                  |
| <input type="radio"/> (1) variable life insurance                                   | <input type="radio"/> (3) other (explain on Schedule F)          |
| <input type="radio"/> (2) variable annuities  |  |
| <input type="radio"/> (3) mutual fund shares  | <input type="radio"/> L. Other (explain on Schedule F)           |

**4. Methods of Analysis, Sources of Information, and Investment Strategies.**

A. Applicant's security analysis methods include: (check those that apply)

- |   |   |
|---|---|
| <input type="radio"/> (1) <input type="radio"/> Charting    | <input type="radio"/> (4) <input type="radio"/> Cyclical                      |
| <input type="radio"/> (2) <input type="radio"/> Fundamental | <input type="radio"/> (5) <input type="radio"/> Other (explain on Schedule F) |
| <input type="radio"/> (3) <input type="radio"/> Technical   |   |

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

- |   |   |
|---|---|
| <input type="radio"/> (1) <input type="radio"/> Financial newspapers and magazines    | <input type="radio"/> (5) <input type="radio"/> Timing services   |
| <input type="radio"/> (2) <input type="radio"/> Inspections of corporate activities   | <input type="radio"/> (6) <input type="radio"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| <input type="radio"/> (3) <input type="radio"/> Research materials prepared by others | <input type="radio"/> (7) <input type="radio"/> Company press releases  |
| <input type="radio"/> (4) <input type="radio"/> Corporate rating services             | <input type="radio"/> (8) <input type="radio"/> Other (explain on Schedule F)   |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- |   |   |
|---|---|
| <input type="radio"/> (1) <input type="radio"/> Long term purchases (securities held at least a year) | <input type="radio"/> (5) <input type="radio"/> Margin transactions   |
| <input type="radio"/> (2) <input type="radio"/> Short term purchases (securities sold within a year)  | <input type="radio"/> (6) <input type="radio"/> Option writing, including covered options, uncovered options, or spreading strategies |
| <input type="radio"/> (3) <input type="radio"/> Trading (securities sold within 30 days)              | <input type="radio"/> (7) <input type="radio"/> Other (explain on Schedule F)   |
| <input type="radio"/> (4) <input type="radio"/> Short sales   |   |

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

**5. Education and Business Standards.**

Yes No

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients?.....

☒ ☐

(If yes, describe these standards on Schedule F.)

**6. Education and Business Background.**

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- |                 |  |
|-----------------|--|
| • name          | • formal education after high school               |
| • year of birth | • business background for the preceding five years |

**7. Other Business Activities.** (check those that apply)

- ☒ A. Applicant is actively engaged in a business other than giving investment advice.
- ☒ B. Applicant sells products or services other than investment advice to clients.
- ☒ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

**8. Other Financial Industry Activities or Affiliations.** (check those that apply)

- ☒ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☒ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- |  |  |
|--|--|
| <input checked="" type="radio"/> (1) broker-dealer   | <input checked="" type="radio"/> (7) accounting firm                                       |
| <input checked="" type="radio"/> (2) investment company  | <input checked="" type="radio"/> (8) law firm  |
| <input checked="" type="radio"/> (3) other investment adviser  | <input checked="" type="radio"/> (9) insurance company or agency                           |
| <input checked="" type="radio"/> (4) financial planning firm   | <input checked="" type="radio"/> (10) pension consultant                                   |
| <input checked="" type="radio"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input checked="" type="radio"/> (11) real estate broker or dealer                         |
| <input checked="" type="radio"/> (6) banking or thrift institution   | <input checked="" type="radio"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

Yes No

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?...

☒ ☐

(If yes, describe on Schedule F the partnerships and what they invest in.)

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

Applicant:  
DOHENY ASSET MANAGEMENT, L.L.C.

SEC File Number:  
801- 43726

Date:  
08/25/2010

**9. Participation or Interest in Client Transactions.**

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☐ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

**10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account?

Yes No

☒ ☐

(If yes, describe on Schedule F.)

**11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggers factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

A review of each client's portfolio is conducted by Mr. William H. Doheny, Jr., and Mr. Christopher Stephen Cord on a weekly basis. Mr. Doheny is a member of Applicant's Executive Committee, managing member of Applicant and a member of Applicant's In-House Investment Committee. Mr. Cord is a portfolio manager and member of the Applicant's In-House Investment Committee. Applicant contacts clients annually via letter in order to update their investment objectives. The information gathered is used to make any necessary changes to client investment objectives and restrictions.

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

Applicant furnishes each client at least quarterly with reports which include a statement describing original cost and current market value, the annual income, and current cash amounts held in their account (s) as of that report date. A quarterly letter is generated by the Applicant which compares account performance against major market indices. Upon request, clients may receive monthly reports for each of their accounts.

**12. Investment or Brokerage Discretion.**

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- |  |                       |                       |
|--|-----------------------|-----------------------|
| (1) securities to be bought or sold? .....               | Yes                   | No                    |
|  | <input type="radio"/> | <input type="radio"/> |
| (2) amount of the securities to be bought or sold? ..... | Yes                   | No                    |
|  | <input type="radio"/> | <input type="radio"/> |
| (3) broker or dealer to be used? .....                   | Yes                   | No                    |
|  | <input type="radio"/> | <input type="radio"/> |
| (4) commission rates paid? .....                         | Yes                   | No                    |
|  | <input type="radio"/> | <input type="radio"/> |

B. Does applicant or a related person suggest brokers to clients? ..... ☐ Yes ☐ No

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commission higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

**13. Additional Compensation.**

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- |   |                       |                       |
|---|-----------------------|-----------------------|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? ..... | Yes                   | No                    |
|   | <input type="radio"/> | <input type="radio"/> |
| B. directly or indirectly compensates any person for client referrals? .....  | Yes                   | No                    |
|   | <input type="radio"/> | <input type="radio"/> |

(For each yes, describe the arrangements on Schedule F.)

**14. Balance Sheet.** Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
  - requires prepayment of more than \$500 in fees per client and 6 or more months in advance
- |  |                       |                       |
|--|-----------------------|-----------------------|
| Has applicant provided a Schedule G balance sheet? ..... | Yes                   | No                    |
|  | <input type="radio"/> | <input type="radio"/> |

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

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV  
Part II**

Applicant:	SEC File Number:	Date:
DOHENY ASSET MANAGEMENT, L.L.C.	801- 43726	08/25/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: DOHENY ASSET MANAGEMENT, L.L.C.	IRS Empl. Ident. No.:
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Item of Form (identify)	Answer
1. D	<p><u>Advisory Services and Fees:</u></p> <p>Applicant provides discretionary portfolio management services with respect to Balanced, Fixed Income, Municipal and Equity portfolios invested in small, large and mid-cap equities. Compensation received by Applicant is based on a percentage of assets under management at annual rates which generally range from 0.35% to 1.00% annually depending on the strategy and amount of funds under management. The fee schedules for the Applicant's strategies are as follows:</p> <p><i>Standard Fee Schedule:</i></p> <ul style="list-style-type: none"> <li>● 1.00% on the first \$2 million</li> <li>● 0.80% on the next \$3 million</li> <li>● 0.70% on the next \$5 million</li> <li>● 0.60% on the next \$10 million</li> <li>● 0.50% on any amount in excess of \$20 million</li> </ul> <p><i>Focused Value Strategy Fee Schedule:</i></p> <ul style="list-style-type: none"> <li>● 1.00% on first \$2 million</li> <li>● 0.80% on next \$8 million</li> <li>● 0.75% on amounts above \$10 million</li> </ul> <p><i>Fixed Income Only Schedule:</i></p> <ul style="list-style-type: none"> <li>● 0.50% on first \$5 million</li> <li>● 0.45% on next \$5 million</li> <li>● 0.40% on amounts above \$10 million</li> </ul> <p><i>Tax Exempt Fixed Income Only (Municipals):</i></p> <ul style="list-style-type: none"> <li>● 0.35% annually</li> </ul> <p><i>Small/Mid-Cap Equity Schedule:</i></p> <ul style="list-style-type: none"> <li>● 1.00% on first \$5 million</li> <li>● 0.75% on next \$5 million</li> <li>● 0.60% on any amount in excess of \$10 million</li> </ul> <p>The above fee schedules are negotiable.</p>

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV  
Part II**

Applicant:  DOHENY ASSET MANAGEMENT, L.L.C.	SEC File Number:  801- 43726	Date:  08/25/2010
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: DOHENY ASSET MANAGEMENT, L.L.C.	IRS Empl. Ident. No.:
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Item of Form (identify)	Answer
5	<p>Fees are generally billed quarterly, in advance, at the middle of each quarter during which Applicant performs the services to which the fees relate. By written notice to Applicant, clients may terminate advisory contracts at any time. A prorated amount of fees paid in advance will be promptly refunded.</p> <p>If certain minimum net worth hurdles are met, Applicant will manage a portfolio of small/mid-cap equities for a performance-based fee. Minimum net worth requirements are: client places at least \$1 million under Applicant's management, or has a net worth in excess of \$1.5 million. The performance fee based on the performance of a client's account will not be charged for any period of less than twelve months.</p> <p><u>Performance Fee Schedule:</u></p> <p>The base management fee is 0.50% per annum on assets under management. Performance fees are based on the portfolio return minus the market return times 10%. The market return will be based upon the increase or decrease of the Russell 2500 Index (total return) over a rolling twelve-quarter period. Portfolio values will be provided by the account Custodian and an average market portfolio value will be calculated by referencing the beginning and ending quarterly values. In the event that the account's absolute returns are negative for any quarter, no performance fee will be collected. The maximum amount of performance fees that the Applicant can collect is 2% of the account's average assets during any four-quarter period. This gross amount includes the ongoing quarterly maintenance fees. On a quarterly basis, Applicant shall charge and collect a maintenance fee equal to 50 basis points of the account's asset value as referenced by Applicant's internal portfolio management software program, AXYS. Portfolio returns reflect realized/unrealized depreciation and appreciation.</p> <p>The above fee schedule is negotiable.</p> <p><u>Education and Business Standards</u></p> <p>Applicant requires all persons involved in developing investment advice for clients to have a college degree as well as prior employment experience or advanced training, which Applicant determines would be useful in the development of investment advice.</p> <p>The education and business background of the key investment personnel are shown below.</p>
6	<p><u>Education and Business Background</u></p> <p><b>William Henry Doheny, Jr.</b> Born 1947. Education: B.A. Stanford University; Law Degree, Loyola Law School. Business: Managing Member, member of the Executive Committee and Chief Investment Officer, Doheny Asset Management, LLC (6/93 to Present). Managing Director, U.S. Trust of California (6/86 to 5/93). Principal, Summit Management Company (12/82 to 6/86). Portfolio Manager, Scudder Stevens and Clark (5/75 to 11/82).</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 2



**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV  
Part II**

Applicant:  DOHENY ASSET MANAGEMENT, L.L.C.	SEC File Number:  801- 43726	Date:  08/25/2010
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: DOHENY ASSET MANAGEMENT, L.L.C.	IRS Empl. Ident. No.:
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Item of Form (identify)	Answer
9 E	<p><b>Christopher Stephen Cord, Jr.</b> Born 1961. Education: B.A. University of Southern California; M.B.A. Pepperdine University. Business: Portfolio Manager/Analyst and Chief Operating Officer, Doheny Asset Management, LLC (6/93 to Present). Assistant Property Manager, Flight Facilities, Inc. (91/93). Account Manager, Della Femina (89/91). Account Manager, N. W. Ayer (88/89). Broker's Assistant, Morgan Stanely (87/89). Operations Manager, Security Pacific National Bank (86/87). Holds a Series 65.</p> <p><u>Participation or Interest in Client Transactions.</u></p> <p>Employees of Applicant will frequently purchase or sell securities for their own accounts, often in the same class or series as those purchased or sold for client accounts. However, before an employee can buy or sell any security(ies), they must get prior approval from one of the in-house Investment Committee members comprised of two employees: Mr. William H. Doheny, Jr., and Mr. Christopher Stephen Cord. Before entering personal transactions a review is made to ensure that the Applicant's clients' interests are placed ahead of the employee's own interest. If client accounts have transacted in a security, employees are prohibited from transacting in the same security on the same day. Pre-approval does not apply to open-ended mutual funds transactions, ETFs or closed end mutual funds, however, the same rules would apply in that clients' interests should be placed above an employee's when placing the trade.</p> <p>In addition to requiring prior approval of all employee personal securities transactions, Applicant, on a quarterly basis, reviews all employee personal securities transactions to ensure that employees have complied with Applicant's pre-approval policies. Failure to comply with Applicant's policy regarding personal securities transactions will result in appropriate disciplinary action.</p> <p>Under no circumstances will an employee participate in an Initial Public Offering (IPO). Opportunities for IPOs are specifically for the benefit of the Applicant's clients.</p> <p>Registrant may participate in IPOs. In the past, Registrant has participated in an extremely limited number of IPOs. Allocation of IPO shares shall be determined by the Investment Committee, based on the following guidelines:</p> <ul style="list-style-type: none"> <li>● Client has appropriate risk tolerance</li> <li>● IPO is consistent with the client's investment objective</li> <li>● Client has cash available in account</li> <li>● Client's custodian is able to receive shares delivered by broker underwriting IPO</li> <li>● Certain custodial accounts will not be able to participate unless their custodian is underwriting the offering.</li> </ul> <p>Assuming that one or more accounts meet these criteria, shares shall be allocated to accounts based on a rotating basis. A log will be maintained to ensure equitable treatment of all accounts.</p> <p>Block trades are implemented when it has been determined that purchase or sale of a particular investment may be appropriate for a number of accounts. In such situations, purchase or sale orders for the participating accounts using the same broker are generally aggregated and communicated to</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 3

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV  
Part II**

Applicant:	SEC File Number:	Date:
DOHENY ASSET MANAGEMENT, L.L.C.	801- 43726	08/25/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: DOHENY ASSET MANAGEMENT, L.L.C.	IRS Empl. Ident. No.:
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Item of Form (identify)	Answer
	<p>the broker as one block order. Registrant attempts to attain an average price on the block trade from the broker.</p> <p>In regards to the allotment of partially filled orders, Registrant adheres to the following policy: smallest accounts are completely filled first, progressing to the largest account.</p> <p>When Applicant determines that it would be appropriate for one or more accounts to participate in an investment opportunity, Applicant seeks to execute orders for all of the participating accounts on an equitable basis. However, because client accounts may be managed by different portfolio managers and are generally managed individually according to each client's risk tolerance, investment objective and tax situation and are not in an investment product other than the Focused Value Strategy, orders for securities may be placed at different times or on different days at the discretion of each portfolio manager and therefore will not always be blocked often resulting in different prices for the same security.</p> <p>Employees of Applicant, including Mr. Doheny, are required to file quarterly personal securities transaction reports. All employee reports are submitted for review. Each employee is required to annually acknowledge receipt of Applicant's Code of Ethics, which generally provides a framework to ensure that employees conduct themselves in an ethical manner, comply with regulations and put client interests before their own. A copy of Applicant's Code of Ethics is available upon request. In addition, all employees are required annually to submit a complete list of their personal holdings to help ensure employees' holdings do not present any conflicts or potential conflicts of interests with clients holdings or holdings that Applicant is contemplating for clients.</p>
10	<p><u>Conditions for Managing Accounts</u></p> <p>Although Applicant has authority to accept accounts for a lesser amount, generally the minimum investment for Balanced, Equity or Fixed Income accounts is \$1 million. The general minimum investment for Small/Mid-Cap Equity accounts is \$500,000. Both amounts are negotiable under special circumstances. Each Small/Mid-Cap Equity investor must satisfy the suitability requirements under Rule 205-1, under the Investment Advisers Act of 1940, prescribing certain requirements which must be satisfied in connection with Applicant's receipt of Performance-Based compensation.</p>
12	<p><u>Investment or Brokerage Discretion</u></p>
A(1) (2)	<p>Applicant has the authority to determine without specific client consent, the securities to be bought and sold. Generally there are no restrictions or limitations on the Registrant's authority. Subject to the allocation guidelines referred to in item #9, generally there are no pre-determined quantitative limitations as to the amount of securities to be bought or sold.</p>
A(3) (4)	<p>Most of the brokerage transactions are executed by brokers and dealers selected by Applicant on the basis of a variety of factors, including the following: the ability to achieve prompt and reliable executions at favorable prices; the operational efficiency with which transactions are affected; and, the quality of research provided.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 4

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV  
Part II**

Applicant:	SEC File Number:	Date:
DOHENY ASSET MANAGEMENT, L.L.C.	801- 43726	08/25/2010

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Item of Form (identify)	Answer
	<p>Research and related services furnished by brokers may include written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; statistics and pricing or appraisal services, as well as discussions with research personnel, software, data bases and other news, technical and financial data services utilized in the investment management process. Subject to seeking best execution, Applicant also may consider referrals of potential clients as a factor in the selection of brokers. Applicant may pay a broker a commission in excess of that which another broker might have charged for effecting the same transaction, in recognition of the value of research services provided by the broker. Research services provided by broker-dealers executing transactions for a particular client may be utilized by Applicant in connection with its investment advisory services for accounts other than or in addition to the account which paid the commission. In addition, research services provided by broker-dealers executing equity trades may be used by Applicant in connection with its fixed income research services. Applicant receives soft dollar credits from equity trades which will be applied to both equity and fixed research services received. The Applicant receives soft dollar credits from certain brokers with respect to OTC agency transactions. As a result of these soft dollar credits, research products and services for which Applicant would otherwise pay are being paid for by such brokers.</p> <p>In situations where a client has instructed Applicant to direct their brokerage to a brokerage firm or individual broker, no attempt will be made to negotiate commissions on behalf of the client. As a result, on some transactions the client may pay materially disparate commissions depending on their commission arrangement with their broker, the number of shares traded, and the market for the security, as compared to other clients who do not have directed brokerage arrangements. Accounts that are Pension Plans governed by ERISA, do not participate in soft dollar transactions.</p> <p>Furthermore, clients who instruct Applicant to direct brokerage, restrict Applicant's ability to aggregate that client's brokerage with other clients' brokerage to obtain volume discounts. As a result, clients who have directed brokerage arrangements may pay higher commission rates and/or may not receive best execution on their transactions.</p> <p>Applicant acknowledges that by not attempting to negotiate commissions on behalf of clients with directed brokerage arrangements Applicant has a potential conflict between such clients' interest in obtaining best execution and Applicant's receiving future referrals from brokers who execute for such clients.</p> <p>Certain products and services which are supplied to Applicant by brokers as a result of a soft dollar arrangement are used for both research and non-research functions. In such situations, Applicant will make a good faith allocation of the percentage of use of such products or services to research and non-research functions. The Applicant has a conflict of interest in this allocation process since it is financially advantageous to the Applicant to allocate as much of the use as possible to research functions. Notwithstanding this conflict of interest, the Applicant believes that it has properly allocated all such dual function products and services in the past and intends to continue to do so in the future.</p> <p>Applicant requires the broker being paid soft dollar commissions to obligate themselves as the legally responsible party to the research provider via written contract.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 5

Schedule F of  
Form ADV  
Continuation Sheet for Form ADV  
Part II

Applicant:	SEC File Number:	Date:
DOHENY ASSET MANAGEMENT, L.L.C.	801- 43726	08/25/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: DOHENY ASSET MANAGEMENT, L.L.C.	IRS Empl. Ident. No.:
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Item of Form (identify)	Answer