

Item 1 – Cover Page

Form ADV Part 2A Brochure

David L. Bonuccelli & Associates, Inc.
701 University Avenue, Suite 210
Sacramento, California 95825

Phone: (916) 567-6666
Facsimile: (916) 567-6670
CRD Number: 106441

March 20, 2018

This Form ADV 2A (this “**Brochure**”) provides information about the qualifications and business practices of David L. Bonuccelli & Associates, Inc. (“**DLB**”). If you have any questions about the contents of this Brochure, please contact David Bonuccelli at (916) 567-6666 and/or dave.bonuccelli@dlb-assoc.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

DLB is a registered investment advisor. Registration with the SEC or any state securities authority does not imply a certain level of skill or training. The oral and written communications of an advisor provide you with information from which you can determine whether to hire or retain an advisor.

Additional information about DLB also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

In this Item, DLB is required to discuss any material changes which have been made to the brochure since the last other than annual updating amendment dated December 19, 2017.

We have updated Items 4, to reflect the reduction in the number of employees of DLB.

Item 3 -Table of Contents

Item 1 – Cover Page	i
Item 2 – Material Changes	ii
Item 3 – Table of Contents	iii
Item 4 – Advisory Business	1
Item 5 – Fees and Compensation	3
Item 6 – Performance Based Fees and Side-By-Side Management	4
Item 7 – Types of Clients	5
Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss	6
Item 9 – Disciplinary Information	8
Item 10 – Other Financial Industry Activities and Affiliations	9
Item 11 – Code of Ethics	10
Item 12 – Brokerage Practices	11
Item 13 – Review of Accounts	12
Item 14 – Client Referrals and Other Compensation	13
Item 15 – Custody	14
Item 16 – Investment Discretion	15
Item 17 – Voting Client Securities	16
Item 18 – Financial Information	17

Item 4 – Advisory Business

Company Background and Ownership Structure

DLB was founded in 1990 and has been providing general and real estate investment consulting services to clients since its inception. DLB is owned by the firm's principal, David L. Bonuccelli and his wife, Deborah J. Bonuccelli.

DLB is registered as a pension consultant with the SEC and provides advisory services to its clients. DLB currently has one client, a public pension fund. DLB's office is located in Sacramento, California.

All services are non-discretionary and are based on a set of pre-determined investment guidelines and objectives as defined by each client. DLB does not directly manage client assets and thus has \$0 assets under management.

Our professionals are dedicated to providing the highest level of service to our clients in order to maximize the benefits of owning and investing in real estate. We provide hands-on personal attention to each of our clients and tailor our services to their specific needs. We place a great deal of emphasis on understanding our clients' goals and objectives. Our combined experience and in-depth knowledge of the real estate industry along with the strong relationships we have built with other professionals such as mortgage and lease brokers, developers, architects, engineers, lenders, attorneys, etc., provide us with the tools necessary to devise the most effective means of meeting or exceeding our clients' goals and objectives.

The development of a long-term, mutually beneficial relationship between a client and advisor is the very foundation of our business. The building and fostering of these relationships is crucial to successful investment management. The degree of success achieved in these relationships is what ultimately becomes the measure of a firm's desirability and reliability; namely, its reputation. We are proud of the reputation we have earned in the real estate advisory industry by consistently meeting or exceeding our clients' goals and objectives from the start of a transaction through its logical end.

DLB currently has four (4) full time employees. Mr. Bonuccelli does not accept or receive compensation for the sale of securities or other investment products.

Services

DLB advises clients with respect to investments in single assets or portfolios involving commercial real estate and commercial real estate mortgages. We provide non-discretionary investment services based on investment guidelines and objectives as developed and set forth by each individual client. Such consulting services for public pension plan clients generally include:

1. Acquisitions:
 - a. Review of all submitted real estate opportunities for potential of meeting investment criteria as outlined by each client;
 - b. Preparation of financial analysis and comparison to others in the market;
 - c. Make investment recommendations to client; and
 - d. Assist client in all aspects of acquisition transaction including negotiations with seller, performance of due diligence procedure, and escrow closing.
2. Dispositions:
 - a. Review of market conditions to determine if disposition strategy is appropriate;
 - b. Assist client with marketing of asset for sale; and
 - c. Assist client in all aspects of disposition transaction including negotiations with buyer, preparation of due diligence materials, and escrow closing.
3. Property Management: Provide full service property management services based on service contract with clients.
4. Commercial Mortgage Loans: In connection with commercial mortgage loan services, DLB works closely with the client's appointed legal counsel and outside loan brokers to:
 - a. Assist client with obtaining loans for to be acquired assets as well as existing assets;
 - b. Assist client with obtaining re-finance loans for assets with existing debt; and
 - c. Assist clients with the payoff, transfer, or defeasance of loans in connection dispositions, etc.
5. Master Credit Facility: Assist in the placement of a master credit facility and once it's placed assist the client with the servicing and reporting of the use of such facility.

Item 5 – Fees and Compensation

DLB is a strictly non-discretionary consultant, and as such, does not receive compensation based on assets under management or investment performance, nor does DLB receive a commission, finder's fee, brokerage fee, or any other similar fee. DLB is compensated solely for services on an hourly or fixed fee basis as outlined in the client agreement, where the fee is based on the scope and complexity of the engagement. We typically invoice our advisory fees on a monthly or quarterly in arrears which are due upon receipt. In rare cases, we may agree to bill in a different method which will be outlined in the client agreement. There are no other types of fees or expenses in connection with services we provide. However, DLB's clients will likely be charged fees by independent providers or managers for other services provided to them outside of DLB's scope of services, such as custodial and investment management services, which are separate and distinct from DLB's services.

Item 6 – Performance Fees and Side-by-Side Management

DLB does not charge performance-based fees.

Item 7 – Types of Clients

DLB's currently has one client, a public pension fund. DLB does not have requirements for opening and maintaining accounts.

Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss

Methods of Analysis: Investment guidelines and objectives are developed and set forth by each individual client. Real estate transactions are analyzed using the income capitalization approach to value (direct capitalization and discounted cash flow methods). These methods are based on the premise that value is created by the expected future income to be derived from the property, and that this value is represented by the present worth of the rights to this income. This approach involves estimating the annual net income the property will earn and converting it into value. This process, called capitalization, is accomplished by dividing the net income, before payment of debt service, by a capitalization rate. This rate will vary because of such factors as risk, time, interest or capital investment, and recapture of the depreciating asset.

- a. ***Rental Income Analysis:*** One of the first steps in the income capitalization approach is to estimate the total possible gross income a property can generate, usually measured over a one-year period. In order to accomplish this, rents being achieved at the subject property are reviewed, as well as market rents for comparable properties.
- b. ***Vacancy:*** The second income capitalization approach step is to project a vacancy rate and the income loss attributable thereto. Vacancy and collection loss is the allowance for a reduction in potential gross income attributable to vacancies, tenant turnover, and non-payment of rent. This loss should reflect typical investor expectation over a specific holding period, assumed or projected.
- c. ***Direct Capitalization:*** The third step in the income capitalization approach analysis is to project expenses for the coming year, including costs for proper third party management. Based on historical and market data, the coming year's expenses are projected.
- d. ***Discounted Cash Flow:*** This method is related to the Direct Capitalization method, however, in this method, the periodic cash flows (which consist of net operating income less capital costs) and a reversionary value are developed and discounted to a present value using an internal rate of return that is determined by analyzing current investor yield requirements for similar investments.

Information for financial analyses is obtained from local real estate brokers, loan brokers, and industry publications.

Investment Strategies: DLB does not implement investment strategies and does not primarily recommend any particular type of security. DLB will offer advice to a client concerning the use of different strategies in particular with respect to potential real estate acquisitions and dispositions and the potential risks and rewards associated with a strategy. DLB will also work with its clients in establishing appropriate benchmarks to measure the performance of independent managers who employ these strategies.

Risk of Loss: Risk is an inherent part of investing. The possibility that an investment's actual return will be different than expected; includes the possibility of losing some or all of the original investment. Clients should be prepared to bear potential losses. Clients should evaluate the risks and merits of all prospective investments and obtain information from independent source in order to make informed investment decisions.

Item 9 – Disciplinary Information

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of DLB or the integrity of DLB's management.

Mr. Bonuccelli is the subject of a pending criminal proceeding in the United States District Court, Eastern District of California (Sacramento County).

DLB established an employee pension benefit plan (the "**Plan**") under the Employment Retirement Income Security Act of 1974 ("**ERISA**"). On or about December 4, 2012, Mr. Bonuccelli borrowed approximately \$517,000 from the Plan, evidenced by a promissory note in favor of the Plan. \$214,000 of such loan has been repaid to date. Mr. Bonuccelli has been charged with a violation of 18 U.S.C. section 664 - Theft or embezzlement from employee benefit plan. This charge characterizes the loan as a theft or embezzlement from the Plan. Mr. Bonuccelli has plead not guilty to this charge and disputes that the loans constitute a theft or embezzlement from the Plan.

On or about October 2012 and October 2013, Mr. Bonuccelli filed an annual report on form 5500 relating to the Plan as required by ERISA. Mr. Bonuccelli has been charged with a violation of 18 U.S.C. section 1027 - False statements and concealments of facts in relation to documents required by the Employee Retirement Income Security Act of 1974. This charge asserts that: (i) Plan assets were overstated because the loan was a theft; and (ii) the annual reports failed to report a non-exempt transaction with a party-in-interest. Mr. Bonuccelli has plead not guilty to this charge and disputes the allegations that the value of the Plan assets were misstated on form 5500.

These charges are pending.

There are no other reportable material facts regarding any legal or disciplinary events.

Item 10 – Financial Industry Affiliations

DLB has no other financial industry activities and affiliations to disclose. Mr. Bonuccelli has a real estate broker's license, which is disclosed on Mr. Bonuccelli's brochure supplement.

Item 11 – Code of Ethics and Participation in Client Transactions

DLB has adopted a code of ethics that sets forth the standards of conduct expected of its employees and requires compliance with applicable securities laws (the “**Code of Ethics**”). The Code of Ethics covers a range of topics that dress ethics and conflicts of interest.

The Code of Ethics requires all personnel to adhere to high standards of honest and ethical conduct and, among other things, to comply with various reporting and approval requirements as to securities transactions. Upon employment or affiliation and at least annually thereafter, all personnel are required to sign an acknowledgement that they have read, understand, and agree to comply with the Code of Ethics.

Clients and prospective clients may contact DLB to request a copy of its Code of Ethics.

DLB does not participate in client transactions.

Item 12 – Brokerage Practices

Registered investment advisors are required to describe the factors considered in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions). DLB does not select broker-dealers for or recommend broker-dealers to clients.

Item 13 – Review of Accounts

Account Reviews: DLB monitors the portfolios of its clients as part of a continuous and ongoing process, while regular account reviews are conducted at least quarterly. Such reviews are conducted by one or more of DLB's principals or officers. All clients are encouraged to discuss their needs, goals, and objectives with DLB and to keep DLB informed of any changes thereto.

Account Statements and Reports: The content and frequency of written reports to clients is dependent on client request. Typically, clients are provided with written or electronic quarterly reports from DLB, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance.

Review Triggers: DLB 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, requests by the client, etc.

Item 14 – Client Referrals and Other Compensation

DLB does not make or accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Item 15 – Custody

DLB does not accept or maintain custody of any client accounts, except for the authorized deduction of the advisor's fee. All clients must place their assets with a qualified custodian. DLB encourages clients to review statements provided by the custodian and to compare such statements to the account statements received by DLB.

Item 16 – Investment Discretion

All services are non-discretionary and are based on a set of pre-determined investment guidelines and objectives as defined by the individual client.

Item 17 – Proxy Voting

DLB does not vote proxies on behalf of its clients.

Item 18 – Financial Information

Neither DLB, nor its management, have any adverse financial situations that would reasonably impair the ability of DLB to meet contractual commitments to its clients. Neither DLB, nor any of its advisory persons, has been subject to a bankruptcy or financial compromise. DLB is not required to deliver a balance sheet along with this Brochure as DLB does not collect fees of \$1,200 or more for services to be performed six months or more in advance.

Form ADV Part 2B – Brochure Supplement

for

David L. Bonuccelli
President and Chief Executive Officer

October 2, 2017

This brochure supplement (this “**Supplement**”) provides information about Mr. Bonuccelli that supplements the David L. Bonuccelli & Associates, Inc. (“**DLB**”) brochure. You should have received a copy of that brochure. Please contact us at (916) 567-6666 and/or dave.bonuccelli@dlb-assoc.com if you did not receive DLB’s brochure or if you have any questions about the contents of this supplement.

The information in this Supplement has not been approved or verified by the United States Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

DLB is a registered investment advisor. Registration with the SEC or any state securities authority does not imply a certain level of skill or training. The oral and written communications of an advisor provide you with information from which you can determine whether to hire or retain an advisor.

Additional information about Mr. Bonuccelli is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 1 - Educational Background and Business Experience

Mr. Bonuccelli was born in 1954 and he has been a principal of DLB since its inception in 1990.

Mr. Bonuccelli's prior experience includes fourteen years at FIA Associates, Inc. (previously Financial Investment Advisors) where he was involved in over \$4 billion in acquisitions, sales and asset management. He played a major role in every aspect of the business which included serving as department head of acquisitions, asset management, administration and chief financial officer. Mr. Bonuccelli resigned from FIA in 1990 to form David L. Bonuccelli and Associates, which incorporated in 1996 as David L. Bonuccelli & Associates, Inc.

Mr. Bonuccelli graduated from Sacramento State University with a Bachelor of Science in Business Administration with a concentration in Accounting in 1977.

Mr. Bonuccelli is an Associate Member of the State Association of County Retirement, an association of 20 California county retirement systems, enacted under the County Employees Retirement Law of 1937. This law chapter, beginning with Section 31450 of the California Government Code, sets forth the policies and regulations governing the actions of these county retirement systems.

Item 2 - Disciplinary Information

Mr. Bonuccelli is the subject of a pending criminal proceeding in the United States District Court, Eastern District of California (Sacramento County). Please refer to Item 9 of DLB's brochure for full disclosure of this event.

Item 3 - Other Business Activity

Mr. Bonuccelli has a real estate license from the California Department of Real Estate

Item 4 - Additional Compensation

Mr. Bonuccelli does not receive any additional compensation from non-clients for providing advisory services. Mr. Bonuccelli receives real estate broker fees in connection with his real estate other business activities.

Item 5 - Supervision

Mr. Bonuccelli has no direct supervisor.