



## ***Investment Adviser Brochure***

### ***Form ADV Part 2A***

**Item 1:      Viridis Advisors, LLC**

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This Brochure provides information about the qualifications and business practices of Viridis Advisors, LLC (“Viridis”). If you have questions about disclosure brochure, please contact us at via telephone at 415.806.0253 or email at [info@viridisadvisors.com](mailto:info@viridisadvisors.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.

Viridis is a registered investment adviser with the Securities Exchange Commission. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Investment Adviser provide you with information from which you determine whether to hire or retain an Investment Adviser.

Additional information about Viridis Advisors, LLC, is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for Viridis is 158709.

## **Item 2: Material Changes**

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document describing our business practices and qualifications that we provide to our clients per SEC Rules. This Brochure, dated August 1, 2011, is a new document that has been prepared according to the SEC's new requirements and rules.

In the future, this section of the brochure will discuss only the specific material changes that were made to the Brochure and will provide you with a summary of all material changes that have occurred since the last filing of this Brochure with the SEC. This section will also identify the date of our last annual brochure update.

Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year which is December 31st. We will provide other ongoing disclosure information about material changes as necessary. We will also provide you with a new Brochure, as necessary, based on changes or new information. Currently, our Brochure may be requested at any time, without charge, by contacting us at (415) 806-0253 or via email at [info@viridisadvisors.com](mailto:info@viridisadvisors.com).

Additional information about Viridis Advisors, LLC and any persons affiliated with Viridis Advisors, LLC who are registered, or are required to be registered, as investment adviser representatives of Viridis Advisors, LLC is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

There were no material changes to this brochure since the last annual update. This is the first version of the brochure in this format.

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## **Item 4: Advisory Business**

Viridis Advisors, LLC (“Viridis”) has been in business since 2011. Joseph H. Caballero and Mark T. Campbell are managing members and serve on Viridis’ Investment Committee. Viridis is owned by Mark T. Campbell with Joseph H. Caballero serving as the Chief Executive Officer and Chief Compliance Officer.

Viridis Advisors focuses on client relationships to deliver complete wealth management services for our high net-worth clients. We provide a full suite of sophisticated, integrated wealth planning, implementation, and management. We also provide family office and pooled fund services.

Our independence and privately held ownership structure is a key part of our firm – it creates client service stability and drives our future by maintaining a strong, executable plan for succession. We offer wealth management services to high net-worth individuals, trusts, estates, private foundations, and business entities. We work closely with our clients to outline their financial circumstances and investment objectives. We then offer an investment management program tailored to their needs. Once a client chooses an overall investment asset allocation target, we select the specific securities to fulfill the desired asset mix. We use separate account managers, separate investments in equities, mutual funds, exchange-traded funds, exchange-traded notes, private partnerships, bonds, cash-equivalents, and other instruments. For certain client portfolios, we also use private partnerships, usually limited partnership interests, that are either managed by us or a third party.

We closely track the global investment markets and monitor our client’s investment performance, rebalancing assets among the funds and the separate investments accordingly. As an investment fiduciary, we always maintain our portfolios within their investment policy statement and strategic asset allocation.

We prepare strategic investment plans and provide complete wealth planning by determining our client’s long-term and short-term financial objectives, risk tolerance, tax status, current investments, and current investment allocation. We work with our clients to manage any restrictions on investments in certain types of companies, asset classes or industries. We develop customized financial models which align our client’s expenses and financial resources.

We take into consideration our client’s personal situation, income needs, time horizon, liquidity needs, legal and tax constraints, risk tolerance, inter-generational issues, and any special circumstances. We also advise on matters that may not pertain to investments when overseeing the complex financial lives of families with substantial assets including educating multi-generational families about being responsible with wealth.

### ***Wrap Fee Programs***

The Adviser doesn't participate in wrap fee programs by providing portfolio management or any other services.

### ***Assets Under Management***

The Adviser is seeking registration and currently does not have any assets under management.

### ***Conflicts of Interest***

All material conflicts of interest under CCR Section 260.238 regarding the investment adviser, its representatives or any of its employees, which could reasonably be expected to impair the rendering of unbiased and objective advice, are disclosed within this brochure.

The amount you invest is managed on a non-discretionary basis which means, you have not given us the authority to determine the following without your consent:

- Securities to be bought or sold for your account;
- Amount of securities to be bought or sold for your account;
- Broker-dealer to be used for a purchase or sale of securities for your account; and
- Commission rates to be paid to a broker or dealer for your securities transaction.

As we do not have trading discretion on your account (i.e., placing trades in your account without your approval), trading activity is generally limited to help minimize your trading costs. Trading may be required to meet initial allocation targets, after substantial cash deposits that require investment allocation, and/or after a request for a withdrawal that requires liquidation of a position. Additionally, your account may be rebalanced or reallocated periodically in order to reestablish the targeted percentages of your initial asset allocation. This rebalancing or reallocation will occur on the schedule we have determined together. You will be responsible for any and all tax consequences resulting from any rebalancing or reallocation of the account. We are not tax professionals and do not give tax advice. However, we will work with your tax professionals to assist you with tax planning. You will have the opportunity to meet with us periodically to review the assets in your account.

## **Item 5: Fees and Compensation**

We are compensated for our wealth and investment advisory services based on a client's assets under management and bill fees quarterly, in advance. Investment management fees are calculated using the fee schedule applied to the portfolio value on the last day of the calendar

quarter. Clients authorize their custodial bank or brokerage to directly debit the fees from specific client accounts designated by them. Fees are prorated for the first quarter in which clients engage us based on the number of days from the effective date of the engagement agreement to the last day of the calendar quarter. If a client terminates their engagement agreement during a calendar quarter, fees are only charged a prorated fee, which is due and payable on the day the agreement terminates. In the event there are any prepaid fees, any unearned fees are promptly refunded upon termination

If a client terminates our engagement agreement while invested in the private funds we manage, those investments remain subject to the terms of the private offering memorandum and partnership agreement. The termination of a client's engagement agreement with us does not necessarily permit a client to redeem their interest in such private investments.

We do not receive any fees, commissions or any other compensation related to the sale or purchase of securities or other investment products. Our interest is completely aligned with our clients. We believe full disclosure of fees is paramount in our client relationship. Neither we nor any of our employees or principals receives any commissions from sponsors of investments products.

Our investment advisory fee is based on the following schedule.

<i>Annualized Fees:</i>	<u><i>From</i></u>	<u><i>To</i></u>	<u><i>Per year</i></u>
	\$1,000,000	\$4,999,999	1.00%
	\$5,000,000	\$9,999,999	0.80%
	Over \$10,000,000		0.60%
Minimum annual fee is \$10,000.			

We are the investment adviser and or sponsor to certain private investment funds made available to our clients. Those clients who invest in these private partnerships are not charged an additional fee for doing so. If a client terminates their engagement agreement with us, they remain subject to the terms of the partnership agreement governing the private investment funds, and pay a management fee that commences in the first quarter following the termination of their engagement agreement.

The value of private investments is included in a client's overall portfolio value for purposes of calculating quarterly fees, including private investments managed by us. We do not charge the funds we manage a management fee, except with respect to investors who are not otherwise our clients. Each fund is responsible for paying various expenses relating to it, including but not limited to: costs and expenses of offering and selling the fund's interests, communicating with existing and prospective investors, and administration, accounting, bookkeeping, tax, audit,

legal and other professional, expert and consulting fees arising in connection with the fund. Some of these costs are incurred by Viridis and reimbursed by the fund.

Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses charged by others and which are paid by our clients. A client may incur certain charges imposed by custodians, brokers, third party investments and other third party activities such as fees charged by managers or custodians, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in each fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to our fees, and we do not receive any portion of these commissions, fees, and costs.

Item 12, Brokerage Practices, further describes the factors that we consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation.

We do not independently value any securities held in our client accounts, the value of which determines our fees. Investments in the private funds advised by us require analysis and judgment on our part to determine their value using third-party information as the basis for such valuation. The periodic financial and performance information provided by the managers themselves will be used as the basis for performance reporting and fee billing where a client pays an asset-based fee. For marketable securities, the prices provided to us by custodians or third party pricing services are used for reporting performance and for fee calculation.

In some instances, precise account balances are unavailable to us on a timely basis. Billing in those situations is based on the most current information available when fees are calculated.

While we make every effort to obtain account balances directly from custodians, for reporting purposes we may request clients to provide us with copies of account statements.

### ***Fees for Wealth Planning Services***

The specific manner in which wealth planning fees are charged by us is established in our written client agreement. Case-by-case retainer fees are negotiated based on the volume and complexity of ongoing work based on hourly billing rates and the expected amount of time on the work being performed. Retainers typically range from \$5,000 to \$50,000, but can be far greater than this for highly complex family office engagements. For special projects or ongoing consulting on wealth planning, fees are based on expected service time and hourly fees ranging from \$50 to \$500 per hour depending on the staffing of the engagement. Our fees are due and payable upon receipt of invoice. All fees are negotiable. Upon termination of the Retainer

Agreement, any unused retainer credit is refunded based on either the passage of time or utilization of hours, depending on the terms of the engagement.

Wealth planning services include, but are not limited to, financial planning, estate planning, tax planning, expense management and bill payment services, retirement planning, risk management, and philanthropy. Either we or our client may terminate the engagement agreement at any time. Notice of termination may be given to the other party either verbally or in writing. Our clients are responsible for payment for services rendered until the termination of our agreement. A client can cancel the agreement without penalty within the first five (5) business days after the signing of the agreement.

### **Additional Compensation**

Neither the Adviser nor any supervised person is associated with any broker dealer or accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

## **Item 6: Performance-Based Fees and Side-By-Side Management**

We do not charge, directly or indirectly, performance-based fees (fees based on a share of capital gains on, or capital appreciation of, the assets of a client) for the management of private client portfolios.

We are the investment adviser and or sponsor to certain private investment funds made available to our clients. Viridis receives fees directly from these investment funds based on their overall financial performance.

### ***Private Fund Management***

With respect to the private funds where Viridis serves as the investment manager, we are entitled to receive a management fee for actual management services performed by the principals, not exceeding 2% of net assets under management per year plus all ordinary and necessary out of pocket expenses including travel.

Pursuant to the fund operating agreements, once the fund has become profitable on a cumulative basis, we are entitled to receive a performance allocation equal to ten percent (10%) of each limited partner's allocable share of net profits for the applicable performance period. If measured on a cumulative basis the Fund's annual pre-tax internal rate of return (IRR) exceeds twelve percent (12%), then the performance fee will be increased by a further forty percent (40%) of the excess. In effect, the performance fee should be equal to ten percent (10%) of the IRR up to twelve percent (12%) and then fifty percent (50%) of the excess.



Management fees are payable by investors quarterly, in arrears, as of the last business day of each calendar quarter. Management fees are deducted directly from the capital account of each investor on the last business day of each calendar quarter. Performance allocations are calculated and allocated as of the end of each fiscal year (and at such other times as set forth in the applicable partnership agreement). Performance allocations are allocated directly from the capital account of each applicable investor.

## **Item 7: Types of Clients**

We provide investment advisory and financial planning services to high-net-worth, accredited investors only. This describes someone who individually or jointly with a spouse has more than \$750,000 managed by us or a net worth of \$1,500,000 excluding the value of their primary residence. Our clients are corporate executives, business owners, high-net-worth families, trusts, charitable foundations, and endowments. We typically provide investment advisory services to clients with assets more than \$5,000,000.

### **Account Minimums**

We require a minimum of \$1,000,000 to establish an advisory account. Our account minimum may be waived at our discretion, and we may continue to service existing accounts that have values below our minimum.

## **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss**

We offer comprehensive wealth management services, which integrate financial, tax, and estate planning with investment management. We work closely with clients to clarify and fully understand their current financial situation and goals. We then suggest an investment management plan customized to their needs and ability to endure market changes.

We work closely with our clients to develop an investment plan by:

1. Creating global capital market expectations with a long-term outlook which guides us in developing portfolio strategies and recommendations; and
2. Selecting an optimal asset allocation which is customized based on circumstances.

Our investment advice is based on the expected long-term market returns and risks of various types of investment asset classes including: global fixed income (publicly traded); global equities of large to small capitalized companies (publicly traded); global real estate; private equity (investments in non-publicly traded companies); natural resources and commodities; and opportunistic strategies which are usually investment strategies implemented by hedge fund managers. We believe exposure to global multi-asset class investments may provide

durable portfolio growth, with reduced volatility, over time. We expect a portfolio's returns to compare favorably to the return produced by a portfolio's relevant benchmarks. Each investment's benchmark will be the return of a recognized investment index such as the S&P 500 (see Glossary for definition). The comparison to benchmarks is also known as relative performance. We do not expect a large part of a portfolio's return to come from the outperformance of individual investment managers compared to the relevant benchmark.

Our portfolio design considers how various asset classes are expected to perform relative to each other, their correlations (see Glossary for definition), as well as how a particular asset class risk relates to another.

Portfolios that target the lowest risk will weighted more towards fixed income, while portfolios that target higher risk/return profile will focus on equities or other asset classes which are expected to have a high return.

Within each asset class, the allocations and implementation are generally the same for portfolios with different risk and return targets; it is the overall asset allocations that differ.

We use tools developed by Morningstar which facilitates the comparison of investment performance of mutual funds, exchange traded funds and individual securities to standard market benchmarks. This facilitates asset allocation by computing the risk and return characteristics of portfolios of securities or indexes, given our assumptions about the risk and return of those portfolio elements. We also use numerous sources of information both public and private, including but not limited Bloomberg, Google Finance, the Wall Street Journal and other financial new sources.

We divide our investment program into three steps:

1. Allocation across global multi-asset classes (for example, both domestic and international fixed income and equities; large to small capitalized companies, real estate, commodities, etc.);
2. Strategy and manager selection within each asset class; and
3. Executing the program.

We actively review the investments to make sure performance objectives are met. The majority of our investments are made using third party sub-advisors, including exchange traded funds, mutual funds, hedge funds, separate account managers, and other private investment partnerships.

We periodically rebalance our clients' portfolios because studies and research have previously demonstrated that this can increase returns and lower risk over the long-term. Rebalancing

involves trading securities, both buying some and selling others, in order to bring a portfolio back to its targeted asset allocation. Rebalancing is necessary because the distribution of a portfolio may become out of alignment with its investment goals due to the fact that some investments grow faster than others over time. Additional transaction costs usually arise from rebalancing a portfolio. Portfolios may suffer lower returns if the assets sold have higher returns in the future than those purchased.

### ***Material Risks***

- The progress of the capital markets is unpredictable, and our analysis is not able to predict future investment returns.
- All investments can lose value and certain asset classes and/or specific securities which we choose may have poor returns for an extended period.
- A focus on long-term returns could cause us to ignore or be less concerned with near-term economic or market events.
- The investment managers we choose may underperform their benchmarks, resulting in a worse return than investing in a single index fund or a portfolio of index funds.
- While we believe our approach will result in a lower tax bill than a traditional actively managed portfolio, our portfolios may incur higher taxes than an index fund, making any of our managers' underperformance of the benchmarks worse.
- Private investment vehicles often have limited liquidity and pursue investment strategies which are not completely transparent to investors.

### ***Potential Risks of Investing in Private Investment Funds***

Private investment funds generally involve various risk factors and liquidity constraints, a complete discussion of which is set forth in each fund's offering documents, which will be provided for review and consideration. Investing in private investment funds is intended for experienced and sophisticated investors who are willing to bear the high economic risks of the investment. An investor should carefully review and consider potential risks before investing in private funds. Certain of these risks may include loss of all or a substantial portion of the investment due to leveraging, short-selling, or other speculative practices, lack of liquidity because of redemption terms and conditions and that there may not and will not be a secondary market for the fund, volatility of returns, restrictions on transferring interests in the fund, a potential lack of diversification, higher fees than mutual funds, lack of information regarding valuations and pricing, and manager risk. An investor is required to complete a subscription agreement with the private investment fund itself, pursuant to which it is established that they are qualified to invest in the fund, and acknowledge and accept the various risk factors that are associated with such an investment. Private investment funds have

liquidity risk and investors may not be able to redeem their investment per the offering document's disclosures.

### ***Potential Risks Associated with Investing in Private Equity and Private Real Estate Funds***

There are particular risks associated with investing in private equity and private real estate funds that generally do not hold publicly traded securities. These risks include: suitability as long-term investments only; difficulty in valuation; illiquidity; consequences on default of capital calls; and use of leverage.

#### ***They are Long-term Investments***

Unlike exchange traded or mutual funds, which generally invest in publicly traded securities that are relatively liquid, private equity funds generally invest in large amounts of illiquid securities from private companies. Depending on the strategy used, private real estate funds will have illiquid underlying investments that may not be easily sold, and investors may have to wait for improvements or development before any redemption. Given the illiquid nature of the underlying purchases made by private equity and private real estate managers, private equity and private real estate funds are considered long-term investments. Private equity funds are generally set up as 10-year investments with little or no provision for investor redemptions. Private real estate funds are generally 7-year investments and also have limited provisions for redemptions. With long-term investments, it is imperative to consider an investor's financial ability to bear large fluctuations in value and hold these investments over a number of years.

#### ***They are Difficult to Value***

The portfolio holdings in private equity and private real estate funds may be difficult to value, because they are not usually quoted or traded on any financial market or exchange. As such, most of a fund's holdings have no easily available market prices. Additionally, it may be hard to quantify the impact a manager has on underlying investments until those investments are sold.

#### ***They are Illiquid Investments***

Private equity and private real estate funds are not liquid. This means that they cannot be sold or exchanged quickly or easily for cash, and the interests are typically non-transferable without the consent of a fund's general partner. As a result, private equity and private real estate funds are generally only suitable for sophisticated investors who have carefully considered their financial capability to hold these investments for the long term.

#### ***Default on Capital Calls has Consequences***

Answering capital calls to provide managers with the pledged capital is a contractual obligation of each investor. Failure to meet this requirement in a timely manner could elicit significant adverse consequences, including, without limitation, the forfeiture of the defaulting investor's interest in the fund.

### ***They Often Employ Leverage***

Private equity and private real estate funds may use leverage (debt) in connection with certain investments or participate in investments with highly leveraged capital structures. Although the use of leverage may enhance returns and increase the number of investments made, leverage also involves a high degree of financial risk and may increase the exposure of such investments to factors such as rising interest rates, downturns in the economy or deterioration in the condition of the assets underlying such investments. Leverage can also amplify losses.

### ***Risk Reduction***

Investing in stocks, bonds, and other types of investments inherently involves a certain level of risk. No matter how well designed a portfolio is, it contains some potential for losing value. We therefore employ certain techniques in assisting clients to manage that risk, such as:

- Investing in a variety of asset classes which react differently to the irregular, unpredictable up and down movements in the economy, both in the US and internationally.
- Allocating assets across asset classes which react differently to the business cycle (an ongoing cycle of growth, decline, recession, and recovery in the economic activity of a particular economy), rather than relying completely on statistical measures of risk (like correlation).
- Using derivatives, a contract whose value is derived from another asset, such as stocks, bonds, currencies, interest rates or indexes. Our use of derivatives is typically for hedging, and trying to protect against a decline in the value of our clients' investments. Derivatives are not used in all client portfolios; they are only recommended to and utilized by clients whose circumstances are appropriate for such types of investments.
- Constantly monitoring and attempting to reduce fees and expenses (for example, negotiating trading fees and margin rates with custodians).

Investing in securities involves risk of loss that clients should be prepared to bear.

## **Item 9: *Disciplinary Information***

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of us, or the integrity of our

management. We have no information applicable to this Item. Neither we as a firm, nor any of our management person, have been subject to any disciplinary action as of the date of this brochure. We do not have any disciplinary information to disclose.

**Item 9.A: Criminal or Civil Actions**

We as a firm have not been found guilty of or have any criminal or civil actions pending in a domestic, foreign or military court.

**Item 9.B: Administrative Proceedings**

We as a firm do not have any administrative proceedings pending before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority.

**Item 9.C: Self-Regulatory Organization (“SRO”) Proceedings**

We as a firm have not been found by any SRO to have caused an investment-related business to lose its authorization to do business, or to have been involved in violating the SRO’s rules, or were barred or suspended from membership or from associating with other members, or were expelled from membership, otherwise significantly limited from investment-related activities, or fined.

**Item 10: Other Financial Industry Activities and Affiliations**

**Item 10.A: Broker-Dealer Registration**

We as a firm are not and do not own a securities broker-dealer or have an application for registration pending. No associated person of the firm is a registered representative of a broker-dealer.

**Item 10.B: Futures Commission Merchant/Commodities**

We as a firm are not a commodity broker/futures commission merchant, a commodity pool operator, commodity trading advisor or an associated person for the foregoing entities; nor do we have any registration applications pending.

**Item 10.C: Relationships with Related Persons**

Mark T. Campbell maintains his certification as an accountant but is inactive.

**Item 10.D: Relationships with Other Advisers**

We as a firm do not have a relationship with another adviser or any other material relationships or conflicts of interest with any financial industry participant.

#### Item 10.E: Relationships with Other Private Investment Funds

We are the investment adviser and or sponsor to certain private investment funds made available to our clients. We receive fees directly from these investment funds based on their overall financial performance.

Because Viridis recommends the purchase of certain Private Investment Funds to some clients, and Viridis serves as the investment advisor to these funds, this may result in one or more conflicts of interest. As a result of these relationships, Viridis will receive compensation in their role as Investment Manager. This means that Viridis has an incentive to recommend that clients purchase these funds, even if such an investment would not be appropriate for such clients. In order to address these potential conflicts of interest, Viridis has adopted a Code of Ethics and compliance policies and procedures. Viridis's policies and procedures provide that the CCO will monitor client accounts that are invested in these Funds to ascertain that the purchase was in the client's best interests.

In addition, since Viridis is acting as the investment adviser to these Funds and also to you there will be a need to allocate time, as well as trading and investment opportunities, between the funds and you. This is a potential conflict of interest that is addressed in the Code of Ethics. Viridis is required to place your interests first and devote sufficient time with all clients to serve their needs.

Finally, performance based fee arrangements may create an incentive for us to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. We have procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients.

### **Item 11: Code of Ethics, Participation, or Interest in Client Transactions and Personal Trading**

#### **Item 11.A: Code of Ethics**

We have adopted a Code of Ethics that sets forth standards of conduct expected of advisory personnel and to address conflicts that arise from personal trading by advisory personnel. Advisory personnel are obligated to adhere to the Code of Ethics, and applicable securities and other laws.

The Code covers a range of topics that may include: general ethical principles, reporting personal securities trading, exceptions to reporting securities trading, reportable securities, initial public offerings and private placements, reporting ethical violations, distribution of the Code, review and enforcement processes, amendments to Form ADV and supervisory procedures. A copy of the Code is provided to any client or prospective client upon request.

**Item 11.B: Participation or Interest in Client Transactions**

Neither we nor any associated person recommend that clients buy from or sell securities to other clients. It is our policy that the firm will not do any “agency cross securities transactions” (defined below) for client accounts. We will on rare occasion do “principal transactions” or “cross trades” (defined below) between client accounts, such as when an individual client contributes an interest in an investment to one of the private partnerships to which we are the investment adviser. In this circumstance, the client receives an interest in the private partnership equal to the fair value of the contributed investment. We will not do cross trades of publicly traded securities between client accounts. “Principal transactions” are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An “agency cross transaction” is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction.

**Item 11.C: Personal Trading by Associated Persons**

We recommend that clients invest in various types of assets. We and our associated persons may invest in the same types of assets. Permitted investments for associated persons are all asset classes. See Item 11.D for information concerning conflicts of interest

**Item 11.D: Conflicts of Interest with Personal Trading by Associated Persons**

Associated persons may own an interest in or buy or sell for their own accounts the same securities, which may be recommended to advisory clients. Associated persons seek to ensure that they do not personally benefit from the short-term market effects of their recommendations to clients and their personal transactions are regularly monitored.

Associated persons are aware of the rules regarding material non-public information and insider trading. Associated persons may also buy or sell a specific security for their own account based on personal investment considerations, which we do not deem appropriate to buy or sell for clients.



## **Item 12: Brokerage Practices**

### **Item 12.A: Factors in Selecting or Recommending Broker-Dealers**

We make custodial recommendations based on our perception of the breadth of services offered, and quality of execution. However, the client may pay commissions or fees that are higher or lower than those that may be obtained from elsewhere for similar services. Clients are advised that they are under no obligation to act on our custodial recommendations.

#### **Item 12.A1: Research and Other Soft Dollar Benefits**

We do not receive soft dollars generated by clients' securities transactions. The term "soft dollars" refers to funds which are generated by client trades being used by an Adviser to purchase products or services (such as research and enhanced brokerage services) from or through the broker-dealers whom the Adviser engages to execute securities transactions.

#### **Item 12.A2: Brokerage for Client Referrals**

We do not refer clients to particular broker-dealers in exchange for client referrals from those broker-dealers.

#### **Item 12.A3: Directed Brokerage**

We do not recommend or require clients to direct their brokerage business to any particular broker-dealer.

### **Item 12.B: Trade Aggregation**

In placing orders to purchase or sell securities in accounts, we may elect to aggregate orders. In so doing, we will not aggregate transactions unless aggregation is consistent with our duty to seek best execution and the terms of our investment advisory agreement with each client for which trades are being aggregated.

No advisory client will be favored over any other client. Each client that participates in an aggregated order will participate at the average share price for all of our transactions in that security on a given business day, with transaction costs shared pro-rata based on each client's participation in the transaction. We will prepare, before entering an aggregated order, a written statement specifying the participating client accounts and how it intends to allocate the securities purchased among those clients.

If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the written statement. If the order is partially filled, it will be allocated pro-rata based on the written statement.

Notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the written statement if all client accounts receive fair and equitable treatment and the reason for different allocation is explained in writing and approved in writing by our compliance officer no later than one hour after the opening of the markets on the trading day following the day the order was executed.

Our books and records will separately reflect, for each client account, the orders which are aggregated, the securities held by, and bought and sold for that account. Funds and securities of clients whose orders are aggregated will be deposited with one or more banks or broker-dealers, and neither the client's cash nor their securities will be held collectively any longer than is necessary to settle the purchase or sale in question on a delivery versus payment basis. Cash or securities held collectively for clients will be delivered to the custodian bank or broker-dealer as soon as practicable following the settlement. We receive no additional compensation of any kind as a result of the proposed aggregation and individual investment advice and treatment will be accorded to each client.

### **Item 13: Review of Accounts**

We are responsible for ensuring adequate supervision over the activities of all persons who act on our behalf. Specific duties include:

- Establish procedures that could be reasonably expected to prevent and detect violations of law by our Advisory personnel;
- Analyze operations and create a system of controls to ensure compliance with applicable securities laws;
- Ensure that all Advisory personnel fully understand the Company's policies and procedures; and
- Establish a review system designed to provide reasonable assurance that our policies and procedures are effective and being followed.

We perform reviews of all investment advisory accounts no less than quarterly. We review accounts for consistency with the investment strategy and performance among other things. Reviews may be triggered by changes in an account holder's personal, tax or financial status. Clients may request accounts to be reviewed more frequently. Macroeconomic and company specific events may also trigger reviews. In addition, brokerage statements are generated no less than quarterly and the account custodian sends copies directly to clients. These reports list the account positions, activity in the account over the covered period and other related information. The custodian also sends confirmations following each brokerage account transaction unless confirmations have been waived.

#### **Item 14: Client Referrals and Other Compensation**

We do not have an arrangement under which it or any associated person compensates others for client referrals. We do not receive any economic benefit for providing advisory services to clients from a person who is not a client.

#### **Item 15: Custody**

Our clients receive monthly statements from the broker dealer, bank or other qualified custodian that holds and maintains their investments. We urge clients to carefully review such statements and compare such official custodial records to the information we provide such as our quarterly performance reports. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. We investigate any differences our clients encounter, and recommend that clients inform us of such discrepancies. We encourage clients to ask questions about any discrepancies.

#### **Item 16: Investment Discretion**

We do not select the securities to be bought or sold without obtaining specific client consent. Third Party money managers and custodians may have discretion over your account. We educate our clients about this when they sign the Advisory Agreement which explains this in full detail. We usually only have the ability to rebalance and reallocate client accounts on a quarterly basis, with permission.

#### **Item 17: Voting Client Securities**

We do not accept authority to vote proxies on behalf of clients as a matter of policy. Clients will receive their proxy information directly from their custodian. Clients may contact us with questions about a particular proxy solicitation by email at [info@viridisadvisors.com](mailto:info@viridisadvisors.com).

#### **Item 18: Financial Information**

We do not require prepayment of advisory fees more than six months in advance, and manage assets on a non-discretionary basis, so no audited balance sheet is being provided. We do not have any financial impairment preventing us from meeting our contractual commitments. A balance sheet is not required since the firm does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client and six months or more in advance.

## **Glossary of Terms**<sup>1</sup>

**Asset Allocation** – The process of dividing investments among different kinds of assets, such as stocks, bonds, real estate and cash, to optimize the risk/reward tradeoff based on an individual's or institutions specific situation and goals; a key concept in financial planning and money management.

**Asset-Class** – An asset class is a grouping of similar investments whose prices tend to move together. Asset classes can be defined on a very general level, such as stocks or on a more specific level, such as American silver producing companies. The concept of asset classes is important because one of the goals when building an investment portfolio is to use different asset classes which are not correlated with each other.

**Correlation** – In the world of finance, correlation is a statistical measurement of how two securities move in relation to each other. Correlations are used in advanced portfolio management. Correlation is computed into what is known as the correlation coefficient, which ranges between -1 and +1. Perfect positive correlation (a correlation co-efficient of +1) implies that as one security moves, either up or down, the other security will move in lockstep, in the same direction. Alternatively, perfect negative correlation means that if one security moves in either direction the security that is perfectly negatively correlated will move in the opposite direction. If the correlation is 0, the movements of the securities are said to have no correlation; they are completely random.

In the real life, perfectly correlated securities are rare, rather you will find securities with some degree of correlation.

**Diversification** – a portfolio strategy designed to reduce exposure to risk by combining a variety of investments, such as stocks, bonds, and real estate, which are unlikely to all move in the same direction. The goal of diversification is to reduce the risk in a portfolio. Volatility is limited by the fact that not all asset classes or industries or individual companies move up and down in value at the same time or at the same rate. Diversification reduces both the upside and downside potential and allows for more consistent performance under a wide range of economic conditions.

**Fees** – a list of all fees associated with different products we offer are listed below:

1. **12b-1 Fees** — Fees paid by the fund out of fund assets to cover the costs of marketing and selling fund shares and sometimes to cover the costs of providing shareholder services. "Distribution fees" include fees to compensate brokers and others who sell fund shares and to pay for advertising, the printing and mailing of prospectuses to new investors, and the printing and mailing of sales literature. "Shareholder Service Fees" are fees paid to persons to respond to investor inquiries and provide investors with information about their investments.
2. **Account Fee**— A fee that some funds separately impose on investors for the maintenance of their accounts. For example, accounts below a specified dollar amount may have to pay an account fee.

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<sup>1</sup> Source: Investopedia

3. **Distribution Fees** — Fees paid out of fund assets to cover expenses for marketing and selling fund shares, including advertising costs, compensation for brokers and others who sell fund shares, and payments for printing and mailing prospectuses to new investors and sales literature prospective investors. Sometimes referred to as "12b-1 fees."
4. **Management Fee** — fee paid out of fund assets to the fund's investment adviser or its affiliates for managing the fund's portfolio, any other management fee payable to the fund's investment adviser or its affiliates, and any administrative fee payable to the investment adviser that are not included in the "Other Expenses" category. A fund's management fee appears as a category under "Annual Fund Operating Expenses" in the Fee Table.
5. **Operating Expenses** — the costs a fund incurs in connection with running the fund, including management fees, distribution (12b-1) fees, and other expenses.
6. **Purchase Fee** — a shareholder fee that some funds charge when investors purchase mutual fund shares. Not the same as (and may be in addition to) a front-end load.
7. **Redemption Fee** — a shareholder fee that some funds charge when investors redeem (or sell) mutual fund shares. Redemption fees (which must be paid to the fund) are not the same as (and may be in addition to) a back-end load (which is typically paid to a broker). The SEC generally limits redemption fees to 2%.
8. **Sales Charge (or "Load")** — the amount that investors pay when they purchase (front-end load) or redeem (back-end load) shares in a mutual fund, similar to a commission. The SEC's rules do not limit the size of sales load a fund may charge, but FINRA rules state that mutual fund sales loads cannot exceed 8.5% and must be even lower depending on other fees and charges assessed.
9. **Shareholder Service Fees** — fees paid to persons to respond to investor inquiries and provide investors with information about their investments. See also "12b-1 fees."

**Investment Adviser** — generally, a person or entity who receives compensation for giving individually tailored advice to a specific person on investing in stocks, bonds, or mutual funds. Some investment advisers also manage portfolios of securities, including mutual funds.

**Investment Goals** — objective or target, usually driven by specific future financial needs. Some common goals for an individual are: saving for a comfortable retirement, saving to send children to college, managing finances to enable a home purchase, minimizing taxes, and maximizing return on investments given a certain risk tolerance, and estate or trust planning.

**Investment Objectives** — The financial goal or goals of an investor. An investor may wish to maximize current income, maximize capital gains, or set a middle course of current income with some appreciation of capital. Defining investment objectives helps to determine the investments an individual should select.

**Margin** — borrowing money (usually using securities you already own as collateral) that is used to purchase securities

**Mutual Fund** — the common name for an open-end investment company. Like other types of investment companies, mutual funds pool money from many investors and invest the money in stocks, bonds, short-term money-market instruments, or other securities. Mutual funds issue redeemable shares that investors purchase directly from the fund (or through a broker for the fund) instead of purchasing from investors on a secondary market.

**Portfolio** — an individual's or entity's combined holdings of stocks, bonds, or other securities and assets.

**Prospectus** — describes the mutual fund to prospective investors. Every mutual fund has a prospectus. The prospectus contains information about the mutual fund's costs, investment objectives, risks, and performance. You can get a prospectus from the mutual fund company (through its website or by phone or mail). Your financial professional or broker can also provide you with a copy.

**Risk Tolerance** — the extent to which an investor is willing to accept more risk in exchange for the possibility of a higher return. An investor with a high risk tolerance is likely to invest in securities, such as stocks in startup companies, and is willing to accept the possibility that the value of his/her portfolio will decline, at least in the short-term. An investor with a low risk tolerance, on the other hand, tends to invest predominantly in stable stocks and/or highly-graded bonds. One's risk tolerance is subjective and may vary according to age, needs, goals, and even personal dispositions.

**S&P 500** — An index of 500 stocks chosen for market size, liquidity and industry grouping, among other factors. The S&P 500 is designed to be a leading indicator of U.S. equities and is meant to reflect the risk/return characteristics of the large cap universe. Companies included in the index are selected by the S&P Index Committee, a team of analysts and economists at Standard & Poor's. The S&P 500 is a market value weighted index - each stock's weight is proportionate to its market value. The S&P 500 is one of the most commonly used benchmarks for the overall U.S. stock market.



***Investment Adviser Brochure Supplement***  
***Form ADV Part 2B***

**Item 1: Joseph H. Caballero**

**Viridis Advisors, LLC**

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San Francisco, CA 94105

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**August 1, 2011**

This brochure supplement provides information about Joseph H. Caballero that supplements the Viridis Advisors, LLC brochure. You should have received a copy of that brochure. Please contact us at [info@viridisadvisors.com](mailto:info@viridisadvisors.com) if you did not receive Viridis Advisors, LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Joseph Caballero is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2: Educational Background and Business Experience**

Joseph H. Caballero was born in 1966. Mr. Caballero received a Bachelor of Arts degree with a major in Law and Society from University of California at Santa Barbara. Mr. Caballero also completed graduate coursework in the Ph.D. program in Political Science at University of California at Santa Barbara.

### ***Business Experience***

Mr. Caballero is a Managing Member of Viridis Advisors and is responsible for the firm's overall management and the management of Viridis' portfolios. Mr. Caballero is Chief Executive Officer, Chief Compliance Officer, and a member of Viridis' Investment Committee.

Previously, Mr. Caballero was a Founding Partner at Perigon Wealth Management, a Registered Investment Adviser serving high-net-worth investors. Mr. Caballero also was a Senior Vice President at Bishop Street Capital Management, a Registered Investment Adviser owned by First Hawaiian Bank (BNP-Paribas), where he helped manage private client relationships. Mr. Caballero was a Vice President of JP Morgan Private Bank where he was responsible for managing accounts for high-net-worth individuals, trusts, foundations and corporate clients. Mr. Caballero has also held portfolio management positions at JP Morgan Chase, Northern Trust Bank, and Santa Barbara Bank & Trust.

<u>Firm Name and Title:</u>	<u>Dates:</u>
Viridis Advisors, LLC, Founder and Managing Member	July 2011 to present
Perigon Wealth Management LLC, Founder Chief Operating Officer, and Chief Compliance Officer	April 2004 to July 2011
Bishop Street Capital Management, Senior Vice President (Division of First Hawaiian Bank-BNP Paribas)	February 2002 to April 2004
JP Morgan Private Bank, Vice President (JP Morgan Securities)	October 1997 to February 2002
Northern Trust Bank, Investment Associate	October 1996 to October 1997
Santa Barbara Bank & Trust, Portfolio Analyst	June 1995 to October 1996
SunAmerica Securities, Sales Associate	February 1995 to June 1995



**Item 3: Disciplinary Information**

Joseph Caballero does not have any legal or disciplinary events to disclose. Mr. Caballero is not the subject of any pending legal, disciplinary or administrative proceedings.

**Item 4: Other Business Activities**

Joseph Caballero is not involved in any other business activity or occupation that involves a substantial amount of time or pay.

**Item 5: Additional Compensation**

Please refer to Item 4 - Other Business Activities above.

**Item 6: Supervision**

Joseph Caballero is the Managing Member of Viridis Advisors and a member of the Investment Committee. Mr. Caballero is supervised by members of Viridis' Executive and Investment Committees.

## **Item 1: Mark T. Campbell**

### **Viridis Advisors, LLC**

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**August 1, 2011**

This brochure supplement provides information about Mark T. Campbell that supplements the Viridis Advisors, LLC brochure. You should have received a copy of that brochure. Please contact us at [info@viridisadvisors.com](mailto:info@viridisadvisors.com) if you did not receive Viridis Advisors, LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Mark Campbell is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2: Educational Background and Business Experience**

Mark T. Campbell was born in 1955. Mr. Campbell received a Bachelor of Arts degree with a major in History from Yale University. Mr. Campbell also received an MBA with a double focus in Finance and International Business from the University of Chicago Graduate School of Business.

Mr. Campbell has earned and maintains a professional designation. The designation and minimum qualification requirements are as follow:

### **Certified Public Accountant (CPA) State of Illinois 1978**

*Certification:* To earn the Certified Public Accountant license individuals must pass the Uniform CPA Exam and meet the following qualifications (some jurisdictions require that licensees also pass an ethical examination):

- Bachelor's Degree
- Criminal Conviction Disclosure

Applicants must furnish their fingerprints for purposes of conducting a criminal history record check with the Department of Justice (DOJ) and the Federal Bureau of Investigation (FBI).

## ***Business Experience***

Mark Campbell brings a wealth of experience in tax, accounting, portfolio management, real estate investment, and project finance. Mr. Campbell began his career as a tax professional with Arthur Andersen & Co. in Chicago. After working in Chicago and in London, he became an international tax partner in 1989. After a three-year stint working in Andersen's Chicago World Headquarters, he then transferred to Tokyo in 1992. In Japan, he worked on a wide variety of clients and became a leading expert on complex transfer pricing and cross-border tax issues. Mr. Campbell has been named by International Tax Review as one of the "World's Leading Tax Advisors" as well as one of "World's Leading Transfer Pricing Advisors." After Andersen, he became a tax partner with Ernst & Young, LLP based in Tokyo and later in 2007 in New York.

### Firm Name and Title:

### Dates:

Viridis Advisors, LLC, Founder and Managing Member

July 2011 to present

Ernst & Young, LLP, Partner

June 2002 to December 2007

Arthur Andersen & Company, Partner

August 1989 to May 2002

## **Item 3: Disciplinary Information**

Mark Campbell does not have any legal or disciplinary events to disclose. Mr. Campbell is not the subject of any pending legal, disciplinary or administrative proceedings.

## **Item 4: Other Business Activities**

Mark Campbell is not involved in any other business activity or occupation that involves a substantial amount of time or pay. Mr. Campbell maintains his certification as an accountant but is inactive.

## **Item 5: Additional Compensation**

Please refer to Item 4 - Other Business Activities above.

## **Item 6: Supervision**

Mark Campbell is a Managing Member of Viridis Advisors and a member of the Investment Committee. Mr. Campbell is supervised by members of Viridis' Executive and Investment Committees as well as Viridis' Chief Compliance Officer.