

Nested Interest LLC

Firm Brochure - Form ADV Part 2A

This brochure provides information about the qualifications and business practices of Nested Interest LLC. If you have any questions about the contents of this brochure, please contact us at (718) 578-2410 or by email at: John.Bevacqua@nestedinterest.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Nested Interest LLC is also available on the SEC's website at www.adviserinfo.sec.gov. Nested Interest LLC's CRD number is: 158870

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Registration does not imply a certain level of skill or training.

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Item 2: Material Changes

Nested Interest LLC has not yet filed an annual updating amendment using the Form ADV Part 2A. Therefore there are no material changes to report.

Item 3: Table of Contents

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Item 4: Advisory Business

A. Description of the Advisory Firm

Nested Interest LLC is a Limited Liability Company organized in the state of Delaware.

This firm was formed in September 2010 and has been in business since October of 2011; the principal owner is John Bevacqua.

B. Types of Advisory Services

Nested Interest LLC (hereinafter "NI") offers the following services to advisory clients:

Financial Planning

NI recommends a financial strategy for retirement to generate retirement income. This will include a recommended level of spending, how to allocate retirement savings across asset classes as represented by indexed funds and a variety of annuity products, and the use of a covered collar strategy to protect against market risk and loss of principle. These services are based on fixed fees and the final fee structure is documented in Exhibit II of the Financial Planning Agreement.

Online Subscription Services

NI provides access to detailed reports summarizing results of financial analysis performed by online financial models. NI will allow users to use the basic model for free, but will charge a fee if the user chooses to download a detailed report.

NI also offers an advertisement service to companies who list their products on NI's website via the "product directory." A user would first use the basic tool to find out which financial products should be included in their portfolio, and then turn to the product directory to find out where they can get the product(s). The product directory will include a listing of indexed mutual funds, indexed ETFs, and immediate annuity products. NI will charge the companies whose products are listed in these directories a fee for being listed.

Services Limited to Specific Types of Investments

NI generally limits its investment advice to mutual funds, bonds, debt securities, ETFs, insurance products including annuities, and government securities. NI may use other securities as well to help diversify a portfolio when applicable.

C. Client Tailored Services and Client Imposed Restrictions

NI offers the same suite of services to all of its clients. However, specific client financial plans and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Information used to identify a recommended financial strategy for an individual includes their basic spending needs, discretionary spending, existing sources of income, savings in tax qualified and non-tax qualified accounts, the minimum level savings they wish to have during their retirement, age, gender, an indication if this is a plan for one or two individuals, the pattern of spending they anticipate following during their retirement, and an indication of how the individual's financial behavior in different market conditions (i.e. changes to spending and/or investment risk).

Clients may not impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs.

D. Wrap Fee Programs

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. NI DOES NOT participate in any wrap fee programs.

E. Amounts Under Management

NI has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$0.00	\$0.00	10/28/2011

Item 5: Fees and Compensation

A. Fee Schedule

Financial Planning Fees

Fixed Fees

Depending upon the complexity of the situation and the needs of the client, the rate for creating client financial plans is between \$200 and \$5,000. Fees are paid in advance, but never more than six months in advance. Fees that are charged in advance will be refunded based on the prorated amount of work completed at the point of termination. The fees are negotiable and the final fee schedule will be attached as Exhibit II of the Financial Planning Agreement. Clients may terminate their contracts without penalty within five business days of signing the advisory contract. The fee refunded will be the balance of the fees collected in advance minus the hourly rate times the number of hours of work that has been completed up to and including the day of termination.

Online Service Fees

The advertising fees charged to insurance companies, investment firms, and financial advisors, are equal to \$100 to \$5,000 per month, paid in advance and are renewable every 6 months. Refunds for this service are not anticipated.

NI offers access to detailed reports summarizing results of financial analysis performed by online financial model, which are free to review and \$24 to download. Refunds and termination are not anticipated for this product.

B. Payment of Fees

Payment of Financial Planning Fees

Fixed Financial Planning fees are paid via check or credit card in advance, but never more than six months in advance. Fees that are charged in advance will be refunded based on the prorated amount of work completed at the point of termination.

Payment of Online Service Fees

Online Service fees are paid in advance via check or credit card.

C. Clients Are Responsible For Third Party Fees

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by NI. Please see Item 12 of this brochure regarding broker/custodian.

D. Prepayment of Fees

NI collects fees in advance. Fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination and the total days during the billing period. Fees will be returned within fourteen days to the client via check or return to credit card.

E. Outside Compensation For the Sale of Securities to Clients

Neither NI nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds.

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

NI does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7: Types of Clients

NI generally provides investment advice to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Investment Companies
- ❖ Pension and Profit Sharing Plans
- ❖ Trusts, Estates, or Charitable Organizations
- ❖ Corporations or Business Entities

Minimum Account Size

There is no account minimum.

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

A. Methods of Analysis and Investment Strategies

Methods of Analysis

NI uses optimization and a variation of mean-variance analysis via stochastic modeling for their primary method of analysis. The “basic model” used in the analysis is a single scenario model that assumes a “shock drop” in the investment returns for the first two years; the size of the shock drop varies with the level of risk tolerance indicated by the user (the more the risk tolerance, the smaller the shock drop), and the size of the shock drop can be up to a 3 standard deviation drop from the mean return. After the first two years, investment returns are set at their historical long term averages.

Using this analysis, the model projects cash flows and investment returns over a period that varies with the risk tolerance of the individual (low risk tolerance is projected to age 105 while high risk tolerance is projected to age 95). The financial strategy that is used consists of (1) investments in 4 different indexed mutual funds/ETFs (large cap US equities, mid & small cap US equities, US bonds, and Foreign equities) (2) investment in TIPs (3) investment in cash and (4) investments in 3 different types of immediate annuities (fixed, variable, and longevity insurance). The goal of this method is to use cash available now to meet income needs within the next year; TIPs are used to provide income needs in the following 4 years; and equity/bond funds are used to meet needs for later years.

Investment Strategies

While NI does not actively management investments, it will generally advise the use of long term trading and options writing (including covered options, uncovered options, or spreading strategies).

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

B. Material Risks Involved

Methods of Analysis

The risks of this “basic method” for generating income for retirement include (1) investment returns that are worse than those assumed in the “shock drop” scenario (2) spending needs that are greater than those assumed in the model (3) changes in annuity prices that make it more expensive to purchase the necessary level of income than what is assumed in the analysis (4) inflation levels that are greater than what is assumed in the model (5) longevity that extends well beyond the planning horizon of the analysis (6) credit risk associated with the annuities purchased.

Investment Strategies

Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Options writing generally hold greater risk and clients should be aware that there is a material risk of loss using this strategy.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

C. Risks of Specific Securities Utilized

NI generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets. However, it will utilize options writing. Options writing generally hold greater risk of capital loss and clients should be aware that there is a material risk of loss using this strategy.

Mutual Funds: Investing in mutual funds carries the risk of capital loss. Mutual funds are not guaranteed or insured by the FDIC or any other government agency. You can lose money investing in mutual funds. All mutual funds have costs that lower investment returns. They can be of bond “fixed income” nature (lower risk) or stock “equity” nature (mentioned above).

Treasury Inflation Protected/Inflation Linked Bonds: The Risk of default on these bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal.

Stocks & Exchange Traded Funds (ETF): Investing in stocks & ETF's carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Investments in these securities are not guaranteed or insured by the FDIC or any other government agency.

Long term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various other types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

Options writing involve a contract to purchase a security at a given price, not necessarily at market value, depending on the market.

Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Item 9: Disciplinary Information

A. Criminal or Civil Actions

There are no criminal or civil actions to report.

B. Administrative Proceedings

There are no administrative proceedings to report.

C. Self-regulatory Organization (SRO) Proceedings

There are no self-regulatory organization proceedings to report.

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

Neither NI nor its representatives are registered as or have pending applications to become a broker/dealer or as representatives of a broker/dealer.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither NI nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

Neither NI nor its representatives have any material relationships to this advisory business that would present a possible conflict of interest.

D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections

NI does not utilize nor select other advisers or third party managers.

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

A. Code of Ethics

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Our Code of Ethics is available free upon request to any client or prospective client.

B. Recommendations Involving Material Financial Interests

NI does not recommend that clients buy or sell any security in which a related person to NI or NI has a material financial interest.

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of NI may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of NI to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. NI will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

D. Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of NI may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of NI to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. NI will always transact client's transactions before its own when similar securities are being bought or sold.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

The Custodian, will be chosen based on their relatively low transaction fees and access to mutual funds and ETFs. NI will never charge a premium or commission on transactions, beyond the actual cost imposed by Custodian.

1. *Research and Other Soft-Dollar Benefits*

NI receives no research, product, or services other than execution from a broker-dealer or third-party in connection with client securities transactions ("soft dollar benefits").

2. *Brokerage for Client Referrals*

NI receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. *Clients Directing Which Broker/Dealer/Custodian to Use*

NI allows clients to direct brokerage. NI may be unable to achieve most favorable execution of client transactions if clients choose to direct brokerage. This may cost clients money because without the ability to direct brokerage NI may not be able to aggregate orders to reduce transactions costs resulting in higher brokerage commissions and less favorable prices. Not all investment advisers allow their clients to direct brokerage.

B. Aggregating (Block) Trading for Multiple Client Accounts

NI will not be trading for or on behalf of client accounts.

Item 13: Reviews of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

All financial planning accounts are reviewed upon financial plan creation and plan delivery by John Bevacqua, Managing Member. There is only one level of review and that is the total review conducted to create the financial plan.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

C. Content and Frequency of Regular Reports Provided to Clients

Clients are provided a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

NI does not receive any economic benefit, directly or indirectly from any third party for advice rendered to NI clients.

B. Compensation to Non - Advisory Personnel for Client Referrals

NI will pay Google on a per click basis for leads generated by their search engine to our website, through their AdWords service offering.

Item 15: Custody

NI will not have custody of client accounts at any time.

Item 16: Investment Discretion

NI does not have discretion over client accounts at any time.

Item 17: Voting Client Securities (Proxy Voting)

NI will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

Item 18: Financial Information

A. Balance Sheet

NI does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither NI nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

NI has not been the subject of a bankruptcy petition in the last ten years.