



## **Larimer Capital Corporation**

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Member FINRA, SIPC • Registered Investment Advisor

### **Firm Brochure**

(Part 2A of Form ADV)

This brochure provides information about the qualifications and business practices of Larimer Capital Corporation. If you have any questions about the contents of this brochure, please contact us at (303) 573-5511. 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 Larimer Capital Corporation is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

March 31, 2011

## **Material Changes**

### **Annual Update**

As a fiduciary, we have a continuing obligation to inform our clients of any material information that could affect our advisory relationship. This section of the brochure will be updated annually if any changes occur since the previous release of Larimer Capital Corporation's brochure.

### **Material Changes since the Last Update**

On July 28, 2010, the Securities and Exchange Commission adopted amendments to Part 2 of Form ADV and related rules that require investment advisers registered under the Investment Advisers Act of 1940 to provide new and prospective clients with a brochure and brochure supplements written in "plain English".

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## **Advisory Business**

### **Firm Description**

Larimer Capital Corporation was founded in 1986 by Adam M. Carmel. There are currently four statutory employees including: one Certified Financial Planner, one Chartered Life Underwriter, and two administrative staff personnel. The firm is a dual – registration SEC registered investment advisor and FINRA member securities broker – dealer.

The firm also acts as the regulated entity for investment advisor representatives and securities brokers who have independent contractor status.

Larimer Capital Corporation regards itself as being in the financial planning business principally to serve those individuals who control (from an ownership point of view) their own privately-held businesses. Services are provided on a fee basis as discussed further in this brochure. We recognize that certain financial goals are best achieved through the acquisition of financial products (e.g. investments and/or insurance) although these options always coordinate with the strategies presented in a purely financial planning context.

The implementation of financial strategies often entails the coordination of our services with those of the client's other advisors such as accountants, attorneys, specialized asset manager, and management consultants; and if requested, Larimer will recommend other professionals whose philosophy, skills and management style are carefully matched to that of the client.

Each plan's objectives, goals, strategies, and responsibilities are continually monitored, and formally reviewed with the client on a quarterly basis. Investment portfolio tracking itself is handled by a sophisticated system that ensures effective and accurate financial reporting. Such methods provide the client with reliable information and complete accountability to facilitate ongoing strategic management.

Larimer Capital Corporation provides an invaluable contribution to the enhancement and preservation of our clients' wealth through a conscientious dedication to the financial planning process.

## **Principal Owners**

Adam M. Carmel owns 100% of Larimer Capital Corporation.

## **Types of Advisory Services**

Larimer Capital Corporation specializes in financial planning and structures each plan to present both a prudent and realistic short and long term strategy, with an emphasis on long-term planning, and to make specific product/service recommendations. Upon delivery of such plan, the client is under no contractual obligation to either implement the plan or continue to use the services of Larimer Capital Corporation in any capacity.

### *Comprehensive Financial Planning*

This service includes financial planning, implementation, and continually monitored and formally reviewed with the client on a quarterly basis. Part of the implementation process may consist of coordinating our services with other advisors such as accountants, attorneys, specialized asset managers, and management consultants on the client's behalf.

Each written plan will address some or all of these areas as applicable:

- (a) Analysis of net worth, net income and cash flow-providing fundamental diagnosis of client's "financial health"
- (b) Income and tax planning – both business and personal
- (c) Investment strategy
- (d) Disability income needs
- (e) Retirement income planning – "qualified plans", IRAs/Keoghs and social security, non-qualified deferred compensation
- (f) Survivor income needs
- (g) Education funding needs, investment planning and protection
- (h) Life insurance needs
- (i) Risk-management-health and disability insurance and long term care
- (j) Estate planning-will, trusts, charitable and intra-family gifting strategies, business continuity planning

Larimer Capital Corporation is in a position to provide financial products to its clients by virtue of its being a fully registered FINRA member securities broker/dealer and life/accident and health and annuity (fixed, equity indexed, and variable) insurance brokerage operation. Acquisition of any financial products are at the complete discretion of the client and has no impact or bearing on the fee-based financial planning services of Larimer Capital Corporation.

### **Tailored Advisory Services**

Any services offered through Larimer Capital Corporation may be tailored to fit the client's individual needs. This is accomplished primarily by (1) eliciting information from a client as to such client's financial circumstances and objectives, and based upon such information, (2) preparing a personalized financial plan for the client.

The scope of our services include:

- Investment Portfolio Design
- Individual and Business Income Tax Strategies
- Compensation Programs
- Risk Analysis and Insurance Design
- Business Continuity Planning
- Estate Planning

Our approach is to listen and help our clients articulate their needs and objectives. We then design an individualized set of strategies that will work because they are "custom-made" to fit the complexities and uniqueness of each client's financial situation. This also includes any restrictions that the client may impose on any securities they are not comfortable with.

### **Wrap Fee Programs**

Larimer Capital Corporation has the flexibility to utilize "third party" professional investment managers for clients who desire a more precisely focused or specialized investment style. There are two programs referred to as "Resources II" and "Total Strategy" which are separate and distinct from our firm's other internally

managed investment advisory services. The wrap fee programs are offered under different advisory fee schedules which Larimer Capital Corporation and the “third party” professional investment manager share.

Please refer to Appendix 1 of this Form ADV Part 2A, “Wrap Fee Program Brochure”, for more complete details.

### **Managed Assets**

As of March 31, 2011, Larimer Capital Corporation managed approximately \$143,158,700.00 in assets on both a discretionary and non-discretionary basis. This consists of approximately 543 accounts (individuals, families, trusts, estates, business entities, pension and profit sharing plans, and charitable organizations).

Larimer Capital Corporation offers its clients four separate investment advisory programs, summarized as follow:

#### 1) Unbundled Managed Account Services (UMAS)

- Flexible investment strategies developed and managed by Larimer Capital Corporation with a variety of asset classes
- Discretionary trading allowed
- Margin trading allowed

#### 2) Advisor

- Range of individual model portfolios, developed by RBC Wealth Management (a division of RBC Capital Markets, LLC), based on various investor profiles
- Investment vehicles primarily utilized in model portfolios are mutual funds and exchange traded funds
- Cash management services through “Investment Access” (check writing, debit card with rewards program)
- Non-discretionary trading only
- No margin trading allowed



3) Resources II

- Refer to Appendix 1 of this Form ADV Part 2A, “Wrap Fee Program Brochure”, for more complete details.

4) Total Strategy

- Refer to Appendix 1 of this Form ADV Part 2A, “Wrap Fee Program Brochure”, for more complete details.

## **Fees and Compensation**

### *Description*

Larimer Capital Corporation's fee for developing a financial plan is structured to be reflective of the complexities of the client's financial situation. Generally, the client's total net worth and current income tax liability are indicative of the complexities that need to be addressed and/or the financial planning opportunities that exist. The "Financial Planning and Investment Advisory Services Agreement" details the work assignment, work process and objectives and fees to be paid.

The firm may indirectly receive compensation by virtue of the fact that certain person registered as broker/dealers under Section 15 of the Securities Exchange Act of 1934 and controlling, controlled by or under its common control may receive commissions, selling concessions, mark-ups or mark-downs when acting as broker for advisory clients. Such persons may only act in such capacity when it is in the best interests of the client and when such broker is fulfilling his duty with respect to the best price and execution for the particular transaction involved. On certain transactions, Larimer Capital Corporation, in its capacity as a broker dealer, may receive additional compensation from mutual fund companies in the form of annual service fees as allowed under Rule 12b-1 and not in conflict with other securities regulations. Investment advisory clients are required to use Larimer Capital Corporation as the broker dealer of record.

Certain Larimer Capital employees may be licensed (at the state level) as insurance brokers and/or agents who may receive commissions or insurance products sold to clients.

All insurance sales illustrations are in compliance with "NAIC" guidelines which must be acknowledged by the policy owners and insured(s).

In the area of estate planning, Larimer Capital Corporation will generally provide broad conceptual strategies for accomplishing estate preservation and estate tax minimization. Fees for estate planning development will be included in those for the overall financial plan.

In the course of developing client relations, certain Larimer Capital Corporation employees may be designated trustee and/or personal representative of the clients' estates. Some contingent compensation may be received by such employees as a consequence, which compensation may not exceed the amounts permitted under the applicable state laws.

**“Unbundled Managed Account Services” and “Advisor Programs”**

*Asset Value-Based Management Fee Schedule*

Equity Asset Type

| Value of Assets           | Annual Fee |
|---------------------------|------------|
| Up to \$100,000           | 2.00%      |
| \$100,001 - \$250,000     | 1.75%      |
| \$250,001 - \$500,000     | 1.50%      |
| \$500,001 - \$1,000,000   | 1.25%      |
| \$1,000,001 - \$2,000,000 | 1.00%      |
| Over \$2,000,001          | Negotiated |

Debt Asset Type

| Value of Assets           | Annual Fee |
|---------------------------|------------|
| Up to \$100,000           | 1.00%      |
| \$100,001 - \$250,000     | 0.875%     |
| \$250,001 - \$500,000     | 0.75%      |
| \$500,001 - \$1,000,000   | 0.625%     |
| \$1,000,001 - \$2,000,000 | 0.50%      |
| Over \$2,000,001          | Negotiated |

*Fee Billing*

Financial planning fees are never paid in advance and are only paid once the client is satisfied that specific work or objectives have been accomplished. The client has complete discretion to terminate the advisory relationship at any time without any further fee obligations.

Investment Advisory fees are charged and billed at the beginning of each quarter and are deducted from the individual brokerage account(s) listed in the “Financial Planning and Investment Advisory Services Agreement”, unless a designated account(s) has been specified from which to pay such fees. If the advisory agreement is terminated prior to the end of the billing period, the fee will be pro-rated and the account will be credited.

*Custodial and Other Fees*

The firm has a fully disclosed correspondent relationship with RBC Correspondent Services LLC, which acts as its sole clearing firm.

Custodians typically charge fees to cover transactions costs (e.g. the purchase or sale of mutual funds, stocks, bonds, UIT’s, options, and exchange traded funds). These specific charges (referred to as “ticket charges”) are borne by Larimer Capital Corporation. However, clients may be charged nominal fees for such services as: wire transaction fees, securities transfers (physical certificate issuance or the delivery into “street name”, IRA custodial fees, etc.).

Larimer Capital Corporation periodically updates existing plans by use of an abbreviated document which: (1) reviews investment performance; (2) updates financial statements (net worth, income, and cash flow); and (3) establishes revised strategies for financial planning. We may receive additional or continuing compensation for providing its periodic review and updated material subsequent to developing the initial financial plan.

## **Performance-Based Fees**

Larimer Capital Corporation does not manage any accounts on a performance-based fee arrangement. The firm charges financial planning fees and investment management (advisory) fees as detailed earlier in this Form ADV Part 2A.

The inherent nature of the asset-based fees does allow the firm to financially benefit through the growth in the value of our clients' accounts. However, our fees would correspondingly decline if our clients' accounts declined in value.

Because Larimer Capital Corporation is a dual-registration firm (i.e. SEC registered investment advisor and securities broker dealer), we still have some client accounts through which compensation is received on a traditional commission basis.

While client portfolios are designed and managed on an individual basis, it is possible that identical or similar type securities might be owned by multiple clients. Furthermore, it may be the case where the firm is simultaneously buying and selling identical or similar type securities for different clients based on their unique circumstances (e.g. current capital gains/losses, need for liquidity, income tax management, change in risk profile, etc.).

## **Types of Clients**

Larimer Capital Corporation generally provides comprehensive financial planning and investment advisory services to individuals, families, trusts, estates, business entities, pension and profit sharing plans, and charitable organizations. The firm does not specifically impose a required minimum investment amount or a minimum portfolio value to open or maintain an account. It is often the case where any particular client maintains several complementary investment advisory accounts with our firm encompassing a spectrum of investment objectives, time horizons, tax management, asset classes, and securities products.

## **Methods of Analysis, Investment Strategies and Risk of Loss**

### **Security Analysis**

The security analysis is part of four broad decision areas; (1) determining the client's investment objectives, (2) deciding which types of investments are to be used; (3) selecting specific investment vehicles within the categories; and (4) studying the long term values of suitable investments.

Relative to the client's needs, goals, and investment temperament, all investment opportunities are evaluated for their characteristics in the following areas: safety or principal, liquidity and collateral value, stability of income, tax treatment, purchasing power stability (inflation protection), capital appreciation potential, maturity, freedom from management or attention, legality, and risk.

Larimer Capital Corporation gathers detailed information from the client in the following areas: (1) quantitative – assets, liabilities, income, expenses, capital transactions; (2) insurance policies and employee benefits information – health, life, disability, retirement plan benefits; (3) tax and estate information on the client's needs and goals (short and long term) in all of the aforementioned areas. Also, Larimer Capital Corporation uses information from publications such as the Wall Street Journal, Investors Business Daily, Barron's, Business Week, Forbes, Fortune, Mutual Fund Newsletters (Morningstar, Athena Invest), tax services (Stranger Report, Brennan Report). Affiliated individuals of Larimer Capital attend financial planning seminars, engage in continuing education, and consult with other professionals such as CPA's, CLU's, attorneys, etc.

### **Investment Strategy**

The point of departure for developing the investment strategy always involves a client's needs and goals. Most clients have multiple goals which are not mutually exclusive and can be approached simultaneously. Since no single investment vehicle has all of the characteristics required to attain the multiple goals,

combinations of investments must be employed. Any prudent investment strategy must provide for liquidity and preservation of capital. From there an overall “safe”/“growth” asset mix is targeted which is compatible with the client’s investment temperament (i.e. comfort level). Investment objectives generally fall into such categories as: capital asset growth, supplemental current income, education funding accumulation, retirement income and distribution, etc. A conscientious effort is made to minimize a client’s income and estate tax liabilities. More importantly, the long-term nature of the financial planning process for achieving certain goals is emphasized to the client.

Portfolio design is presented in the following manner:

- 1) Investment opportunities exist to lend capital (debt securities) or to own capital (equity securities) each representing fundamentally different risks and rewards.
- 2) Debt securities provide income and have higher priority within an entity’s capital structure while equity securities provide capital growth and the potential rewards of ownership.
- 3) Asset types can be thought of as either: financial (paper) or real (tangible). The former (e.g. bonds and stocks) generally offer readily available pricing and liquidity. The latter (e.g. capital asset financing, real estate, natural resources) generally offer tax preferences, less liquidity and higher expected returns (for their inherently greater risks).
- 4) Implementation considerations for debt securities include: tax vs. revenue based bonds, yield curve and pricing/cash flow, credit quality, maturity, liquidity, taxation, and investment vehicles.
- 5) Implementation considerations for equity securities include: yield vs. capital gains, capitalization vs. growth/value matrix, passive (indexing) vs. active trading, valuation models, liquidity, taxation, and investment vehicles.

### *Risk of Loss*

As risk is always a function of potential reward, this last factor is scrutinized particularly closely in 5 broad categories: (a) business risk – volatility of earning, bankruptcy, competition, resource shortages, etc.; (b) market risk – price that investors are willing to pay, collateral or liquidity value; (c) money rate risk – capital and income value of fixed income securities relative to interest rates;



(d) inflation risk – purchasing power of fixed dollar investment returns: and (e) political risk – adverse legislation or regulations, nationalization, price or rent controls.

## **Disciplinary Information**

Neither Larimer Capital Corporation nor any management person has been a part of any criminal or civil action in a domestic, foreign or military court of competent jurisdiction relating to any investment related business, activity, statute or regulation.

Neither Larimer Capital Corporation nor any management person has been a part of any administrative proceedings before the SEC, any other federal or state regulatory agency, or any foreign financial regulatory authority relating to any investment related business, activity, statute or regulation.

Since the firm's inception in 1986, there have been two incidences of FINRA (formerly NASD) self regulatory organization rules violations:

- (1) For the year 2004, the firm failed to implement adequate Anti-Money Laundering (AML) training procedures relating to its AML Compliance Program as required under the Bank Secrecy Act; resolution – acceptance, waiver and consent; sanction - \$5,000 fine.
- (2) For the year 1993, Adam M. Carmel (as respondent) was found to be in violation of MSRB Rule G-2 by allowing the firm to engage in “agency” (note: fully disclosed commission) municipal securities transactions on behalf of clients while the firm did not employ a registered municipal securities principal; resolution – acceptance, waiver and consent; sanction - \$5,000 fine.

## **Other Financial Industry Activities and Affiliations**

Larimer Capital Corporation is a dual-registration SEC registered investment advisor and FINRA member securities broker-dealer. Adam M. Carmel is the sole owner of the business entity and maintains several required principal registrations: General Securities Principal, Financial and Operations Principal, Municipal Securities Principal, and Options Principal.

The firm buys and sells securities for its investment advisory clients strictly on an “agency” (non-principal) basis without commissions or undisclosed principal mark-ups/mark-downs. The firm does not hold any securities for sale to clients nor does it make markets in any security.

Larimer Capital Corporation and selected management personnel (registered representatives, investment advisor representatives, and insurance brokers/agents) are also licensed to sell various insurance products such as: fixed and variable life insurance, long term care and disability insurance, and fixed, equity indexed and variable annuities. Such products may be utilized (sold) to clients as part of the implementation of their personal financial plans.

Reference is also made to separate and distinct fee-based compensation for comprehensive financial planning services (described earlier) that are often a predecessor to more traditional investment advisory (management) services.

## **Code of Ethics, Participation of Interest in Client Transactions and Personal Trading**

### *Code of Ethics*

Larimer Capital Corporation and its employees have committed to a Code of Ethics and Fiduciary Oath as outlined by both the National Association of Personal Financial Advisors (NAPFA) and the CFP Board of Standards. These include: objectivity, confidentiality, competence, fairness and suitability, integrity and honesty, regulatory compliance, full disclosure, and professionalism.

In addition to the rules and regulations that govern our industry, we adhere to a Fiduciary Oath which states the following:

- “Always at in good faith and with candor”
- “Be proactive in disclosing any conflicts of interest that may impact a client”
- “Not accept any referral fees or compensation contingent upon the purchase or sale of a financial product”

Certified Financial Planners (CFP) designees are also held to a Code of Ethics as outlined in the CFP Board of Standards and Professional Conduct. The principles are as follows:

- Integrity – Provide professional services with integrity
- Objectivity – Provide professional services objectively
- Competence – Maintain the knowledge and skill necessary to provide professional services competently
- Fairness – Be fair and reasonable in all professional relationships; disclose conflicts of interest
- Confidentiality – Protect the confidentiality of all client information
- Professionalism – Act in a manner that demonstrates exemplary professional conduct
- Diligence – Provide professional services diligently

Upon request, Larimer Capital Corporation will provide a copy of the Code of Ethics to any client or prospective client.

*Participation of Interest in Client Transactions and Personal Trading*

Larimer Capital Corporation does not and will not sell securities for any advisory client as principal, effect securities transactions for compensation as broker or agent for any advisory client, sell securities to or buy securities from advisory clients as broker or agent for any person other than an advisory client; recommend to advisory clients or prospective advisory clients, the purchase or sale of securities in which Larimer Capital Corporation directly or indirectly has a position or interest, except as follows:

Certain Larimer Capital Corporation principals or employees may be registered as brokers or dealers under the Securities and Exchange Act of 1934, and as such, may offer for sale certain securities in agency or principal transactions to such advisory clients when it is deemed to be in the best interests of such clients to do so. Larimer Capital Corporation anticipates that securities transactions may be effected for non-investment advisory clients, on a fully disclosed basis, by its principals or employees who are registered as brokers or dealers. Furthermore, there may be occasions where Larimer Capital Corporation's principals or employees own the same securities as an investor of equal standing, as Larimer Capital Corporation's advisory clients and/or such person's brokerage clients. This fact will be disclosed but not used as a selling device. Advisory clients will always be presented with the perceived risks and rewards of all investment opportunities that are recommended in their financial plans.

Larimer Capital Corporation and all future personnel associated with it are restricted and specifically prohibited from engaging in any "churning" or "scalping" trading practices. Full disclosure is made to all advisory clients (both prospective and existing) as to how Larimer Capital Corporation or any person acting on its behalf may receive compensation. All material facts relating to Larimer Capital Corporation's practices, including any potential for abuse and/or conflicts of interest, are provided. In addition, where potential conflicts of interest problems may arise, Larimer Capital Corporation will make full disclosure under the anti-fraud provisions of the applicable federal and state securities laws.

## **Brokerage Practices**

### *Selection or Recommendation of Broker-Dealers*

Larimer Capital Corporation is a dual-registration SEC registered investment advisor and FINRA member securities broker dealer.

The firm requires all clients to establish brokerage accounts with this dual registration entity through which its investment advisory services (i.e. securities transactions) are implemented.

Investment advisory clients do not pay any securities brokerage commissions, and therefore bear no additional costs (over and above the previously referenced investment advisory fees).

Larimer Capital Corporation is a fully disclosed introducing correspondent to RBC Correspondent Services, LLC (our clearing firm). Transaction/ticket charges are borne by the firm not by our clients. However, clients may be charged nominal fees for such services as: wire transaction fees, securities transfers (physical certificate issuance or the delivery into “street name”, IRA custodial fees, etc.).

### *Soft Dollars*

Larimer Capital Corporation does not receive any soft dollar benefits or compensation.

### *Securities Trades Aggregation*

Regarding the purchase or sale of individual securities for multiple client accounts, an attempt will always be made to execute “block trades”, so that all clients receive identical (average) pricing. However, individual client account circumstances (e.g. changes in investment objectives, income tax implications, etc.) will always take implementation precedence.

## **Review of Accounts**

### **Periodic Reviews**

Larimer Capital Corporation continually monitors and formally reviews client accounts and financial plans on a quarterly basis or as negotiated with the client.

The nature of the review entails: performance, review financial goals, objectives, strategies, and financial health.

At least annually and along with or a part of any written statement or summary of the client's account, Larimer Capital Corporation will send to such client a written disclosure statement identifying the total number of such transactions during the period since the date of the last such statement or summary, and the total amount of all fees or other remuneration received by Larimer Capital Corporation or any other person in connection with such transaction during such period.

Adam M. Carmel, president of Larimer Capital Corporation, conducts financial and account reviews. In his absence, financial and account reviews are performed by Andrew Jenkins, Director of Financial Planning.

### **Review Triggers**

In instances where client objectives, lifestyle, or market conditions change, the client may need to review the financial plan implemented and make changes accordingly. The review may be prompted by either the client or the financial representative.

### **Regular Reports**

Investment advisory client accounts receive a quarterly Portfolio Review generated on our behalf by RBC Capital Markets, LLC. The report entails: a market commentary, portfolio summary, portfolio allocation comparison, equity analysis, fixed income analysis, risk/return summary, portfolio holdings, schedule of realized gains and losses, disclosure, and reference guide.

Additionally, investment advisory client accounts receive monthly (or quarterly, if no account activity has taken place) brokerage account statements showing: asset details (as of the statement date) and activity details (during the reporting period).



## **Client Referrals and Other Compensation**

Larimer Capital Corporation has no arrangements, oral or in writing, where it is paid cash by or receives some economic benefit (including commissions, equipment, or non-research services) from a non-client in connection with giving advice to clients. Nor does Larimer Capital Corporation directly or indirectly compensate any person for client referrals.

## **Custody**

Larimer Capital Corporation does not have custody of client funds or securities. These are held directly with our qualified custodian, RBC Correspondent Services, LLC. Account statements are mailed directly to the client on a monthly basis (or no less than quarterly, if no account activity has occurred).

Upon completion of any transaction, the client will receive a written trade confirmation from the qualified custodian providing the following (1) buy or sell, (2) security name, symbol and cusip number, (3) account type (cash, margin, short sale), (4) capacity of broker (agent or principal), (5) trade and settlement date, (6) dollar amount of transaction, and (7) broker compensation (if an agency trade). A prospectus of offering circular is provided where required by securities law or regulation (e.g. mutual fund, variable annuity, new issue under-writing) disclosing principal trade compensation

Quarterly Performance Reports are also generated on Larimer Capital Corporation's behalf by the qualified custodian, RBC Correspondent Services, LLC. These reports are mailed to and reviewed by Larimer Capital Corporation before forwarding to clients. It is imperative that the client compare the brokerage account statement received from the custodian, and the Quarterly Performance Report received from Larimer Capital Corporation as these are complementary with regard to their information. If any discrepancy is found, please contact Larimer Capital Corporation immediately.

## **Investment Discretion**

Larimer Capital Corporation will accept discretionary authority to manage investment advisory accounts on behalf of its clients, but this is not a mandatory requirement for all investment advisory business relationships. If such authority has been given by the client, the firm would have the authority to decide (without first obtaining client consent) the specific securities to be acquired or sold and the dollar amount of such transactions.

All clients are required to sign a limited trading authorization (power of attorney) regardless of whether the firm has discretionary trading authority.

Discretionary trading authority allows for the timely placing of trades (particularly in volatile markets) on clients' behalf based on the investment policies, strategies, and objectives that have been previously agreed upon.

If discretionary trading authority has not been given, the firm will consult with the client prior to each trade to obtain approval.

Regardless of the formal discretionary or non-discretionary nature of the investment advisory relations, an effort is always made to discuss overall strategy, specific transactions, and trading tactics with the client prior to implementation.

Furthermore, we regard our client relationships as a "partnership", and therefore encourage open and frequent communication about any and all aspects of their accounts. As such, they may override or modify our securities transaction recommendations. We remain receptive to their knowledge and portfolio ideas in an ever increasingly complex world.

## **Voting Client Securities**

Larimer Capital Corporation does not vote proxies for securities owned by its clients, whether or not those securities were obtained under a discretionary trading authorization.

We encourage all clients to not suppress their right to receive all proxy materials – which are provided either by mail or in an electronic format.

We review any proxy issues on a case - by - case basis, from the most mundane (e.g. confirmation of the entity's outside auditors) to the most important (e.g. executive compensation plans, mergers and acquisitions) with the knowledge that our primary focus and responsibility is to assure the maximization of shareholder value.

We do not believe that there would be any inherent conflicts of interest regarding the outcome of any proxy votes, as Larimer Capital Corporation does not make a market in any securities and despite the fact that employees of the firm might own the same securities as our clients.

Ultimately, it is the client's responsibility to understand the proxy issues and to vote accordingly.

Clients may direct us to vote certain proxy issues on their behalf (if allowed) by providing such instructions to the "reorganization department" of our clearing firm (RBC Correspondent Services, LLC).

## **Financial Information**

Larimer Capital Corporation does not have any financial impairment that will preclude the firm from meeting any contractual commitments to its clients.

A balance sheet for the firm's most recent fiscal year is not required to be included in this Form ADV Part 2A because the firm does not serve as custodian for client funds or securities nor does it require prepayment of fees of more than \$1,200 per client, six months or more in advance.

Nevertheless, as a FINRA member securities broker dealer (and dual registration firm) Larimer Capital Corporation is required to file annual audited financial statements within 60 days of the end of its fiscal year (December 31<sup>st</sup>), pursuant to Rule 17a-5(d). These financial statements are part of the public record, but also available upon request.

## **Requirements for State-Registered Advisers**

Investment Advisers (IA) must register with the Securities and Exchange Commission (SEC) or with the State Division of Securities. IA firms with more than 25 million in assets under management are regulated exclusively by the SEC and are known as “Federal Covered Advisers” or “FCAs”.

Larimer Capital Corporation has over 25 million in assets under management; therefore, the firm is regulated by the SEC.

The definition of an investment adviser includes financial planners or others who, as a component of other financially related services, provide investment advisory service to others for compensation. Advice about securities and compensation for that advice is the key issue. Another part of the definition states that you are an investment adviser if you hold yourself out as providing investment advisory services to others for compensation.

Investment advisors must register electronically with the Investment Adviser Registration Depository (IARD). This system has been developed according to the requirements of its sponsors, the Securities and Exchange Commission (SEC) and the North American Securities Administrators Association (NASAA).

Links: <http://www.iard.com>  
<http://www.nasaa.org>  
<http://www.sec.gov>