

**Form ADV Part 2A
Investment Advisor Brochure**

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This Form ADV Part 2A (Investment Advisor Brochure) gives information about Middlebury Asset Advisors, Inc. (“MAA”) and its business for the use of clients and prospective clients. If you have any questions about the contents of this brochure, please contact us using one of the methods listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. Registration is mandatory for all persons meeting the definition of investment advisor and does not imply a certain level of skill or training.

Additional information about our firm is available on the SEC’s website at: www.adviserinfo.sec.gov.

Item 2 - Material Changes

Material changes to the Investment Advisor Brochure will be provided to clients who have received previous versions on or before January 19, 2012.

MAA is no longer the General Partner to the Middlebury Litigation Settlement Fund, I L.P.

MAA does not advise Middlebury Ventures II, nor Middlebury Ventures III.

This document meets the new requirements set forth by the Securities and Exchange Commission (“SEC”). The narrative has been reorganized and revised.

Within 120 days of our fiscal year end we will deliver a Summary of Material Changes if there have been material changes since the last annual updating amendment.

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Item 4 - Advisory Business

Benefit Investment Advisors, LLC, now Middlebury Asset Advisors Inc, (“MAA”) provides Advisory Services to limited partnerships and managed accounts for High Net Worth clients. We focus on leveraging our specialized expertise in various institutional markets including, but not limited to: asset based lending, hedge fund strategies, structured debt offerings, etc.

Advisory Firm

The firm is operated by James (Jim) Robinson who purchased the stock from HVM Corporation. The firm contracts with several associates and will often partner to bring specialized expertise to advise on specific investment strategies.

Advisory Services

As of January 19, 2012, MAA has \$0 of assets under management on a discretionary basis, and approximately \$0 of assets under management on a non-discretionary basis. We have recently exited our traditional mutual fund selection business and expect to build assets in new products as outlined above.

MAA expects to develop a series of Limited Partnerships for its investors. Each will have its own fee schedule as described in the associated subscription documents.

MAA will also advise on single purpose investment vehicles that will provide investors access to private transactions otherwise unavailable to individual investors. In these cases, MAA monitors the assets, provide administration and manage the private shares. MAA is paid a carried interest from the vehicle and only participates in the profit after the return of capital to investors.

MAA may exercise agreements with other Registered Investment Advisors and recommend other advisors to clients. In such instances, MAA may receive a portion of the account fee or commissions. In these instances, MAA will make available to the client a “Compensation Disclosure Statement” and the Investment Advisor Brochure for the other advisor. The client is under no obligation to use the services of the other recommended advisor(s).

Item 5 - Fees and Compensation

MAA expects to develop a series of Limited Partnerships for its investors. Each will have its own fee schedule as described in the associated subscription documents similar to the above MLSF structure.

On single investment vehicles, MAA is paid a carried interest the vehicle only participating in the profit after the return of capital to investors.

Managed accounts are negotiated on a case by case basis and will be memorialized in a separate *Investment Management Agreement*.

MAA may exercise agreements with other registered investment advisors and recommend other advisors to clients. In such instances, MAA may receive a portion of the account fee or commissions. In these instances, we will make available to the client a “Compensation Disclosure Statement” and the Investment Advisor Brochure for the other advisor. The client is under no obligation to use the services of the other advisor(s) recommended.

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

In addition to the fee schedule disclosed in the Fees and Compensation section, MAA may charge performance based fees as follows:

One-year periods will be used to measure investment performance throughout the term of the Agreement, as a one-year period provides a more realistic measure of performance than do quarterly calculations.

Performance based compensation applies only to persons or companies who are “qualified” as defined by the Investment Advisers Act of 1940 (“the Act”) as follows: (i) a natural person who or a company that immediately after entering into the contract has at least \$750,000 under management with MAA; (ii) a natural person or a company that MAA reasonably believes has a net worth of more than \$1,500,000 at the time the contract is entered into, or is a qualified purchaser as defined in the Investment Company Act of 1940; or (iii) a natural person who immediately prior to entering into the contract serves on behalf of or performs functions for MAA as specified in detail under the Act.

MAA may receive increased compensation with regard to unrealized appreciation as well as realized gains in the account.

In regards to performance based compensation, the fee arrangement may create an incentive for MAA to make investments that are riskier or more speculative than would be the case in the absence of a performance based fee. Performance based compensation may create an incentive to favor accounts paying the highest fees in the allocation of investment opportunities. MAA has a duty and written supervisory procedures to treat all clients fairly and to avoid conflicts of interest.

Item 7 - Types of Clients and Account Minimums

MAA provides advisory services to limited partnerships and single investment vehicles that accept only Accredited Investors and Qualified Purchasers. Separately managed accounts would only accept Accredited Investors.

Accredited Investor Definition:

The federal securities laws define the term “Accredited Investor” in Rule 501 of Regulation D as follows:

The term “Accredited Investor” shall mean any person who comes within any of the following categories, or who the issuer reasonably believes comes within any of the following categories, at the time of the sale of the securities to that person:

1. Any bank as defined in [section 3\(a\)\(2\)](#) of the Act, or any savings and loan association or other institution as defined in section 3(a)(5)(A) of the Act whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to [section 15](#) of the Securities Exchange Act of 1934; any insurance company as defined in [section 2\(a\)\(13\)](#) of the Act; any investment company registered under the Investment Company Act of 1940 or a business development company as defined in [section 2\(a\)\(48\)](#) of that Act; any Small Business Investment Company licensed by the U.S. Small Business Administration under section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of \$5,000,000; any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 if the investment decision is made by a plan fiduciary, as defined in section 3(21) of such act, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of \$5,000,000 or, if a self-directed plan, with investment decisions made solely by persons that are Accredited Investors;
2. Any private business development company as defined in [section 202\(a\)\(22\)](#) of the Investment Advisers Act of 1940;
3. Any organization described in [section 501\(c\)\(3\) of the Internal Revenue Code](#), corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$5,000,000;
4. Any director, executive officer, or general partner of the issuer of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of that issuer;
5. Any natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his purchase exceeds \$1,000,000;
6. Any natural person who had an individual income in excess of \$200,000 in each of the two most recent years or joint income with that person's spouse in excess of \$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year;
7. Any trust, with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in [Rule 506\(b\)\(2\)\(ii\)](#) and
8. Any entity in which all of the equity owners are Accredited Investors.

Qualified Purchaser Definition:

The term “qualified purchaser” is defined in Section 2(a)(51) of the Investment Company Act of 1940 as follows:

A. “Qualified purchaser” means:

i. any natural person (including any person who holds a joint, community property, or other similar shared ownership interest in an issuer that is excepted under section 3(c)(7) [15 USCS § 80a-3(c)(7)] with that person’s qualified purchaser spouse) who owns not less than \$ 5,000,000 in investments, as defined by the Commission;

ii. any company that owns not less than \$ 5,000,000 in investments and that is owned directly or indirectly by or for 2 or more natural persons who are related as siblings or spouse (including former spouses), or direct lineal descendants by birth or adoption, spouses of such persons, the estates of such persons, or foundations, charitable organizations, or trusts established by or for the benefit of such persons;

iii. any trust that is not covered by clause (ii) and that was not formed for the specific purpose of acquiring the securities offered, as to which the trustee or other person authorized to make decisions with respect to the trust, and each settler or other person who has contributed assets to the trust, is a person described in clause (i), (ii), or (iv); or

iv. any person, acting for its own account or the accounts of other qualified purchasers, who in the aggregate owns and invests on a discretionary basis, not less than \$ 25,000,000 in investments.

B. The Commission may adopt such rules and regulations applicable to the persons and trusts specified in clauses (i) through (iv) of subparagraph (A) as it determines are necessary or appropriate in the public interest or for the protection of investors.

C. The term “qualified purchaser” does not include a company that, but for the exceptions provided for in paragraph (1) or (7) of section 3(c) [15 USCS § 80a-3(c)(1) or (7)], would be an investment company (hereafter in this paragraph referred to as an “excepted investment company”), unless all beneficial owners of its outstanding securities (other than short-term paper), determined in accordance with section 3(c)(1)(A) [15 USCS § 80a-3(c)(1)(A)], that acquired such securities on or before April 30, 1996 (hereafter in this paragraph referred to as “pre-amendment beneficial owners”), and all pre-amendment beneficial owners of the outstanding securities (other than short-term paper) of any excepted investment company that, directly or indirectly, owns any outstanding securities of such excepted investment company, have consented to its treatment as a qualified purchaser. Unanimous consent of all trustees, directors, or general partners of a company or trust referred to in clause (ii) or (iii) of subparagraph (A) shall constitute consent for purposes of this subparagraph.

The minimum separately managed account size is \$1,000,000.

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

MAA uses various approaches depending on the advisory engagement appropriate to the asset class and structure involved. MAA has a specialty in asset based lending, specialty lending and private equity. The combined methods used for analyzing an opportunity are rigorous “venture style” diligence to ascertain organizational risk, underwriting standards and loan quality. MAA develops a library of detailed diligence documents used to assess the legal and organizational viability of the enterprise as well as the quality of the assets. Often MAA will employ specialty legal counsel to opine on the various specialty factors in a given transaction. We screen to minimize risk as a first priority and then to achieve a reasonable return. Our specialty lending strategies focus on low balance loans to allow for wide diversification across a number of factors. *While MAA is committed to active risk management and is cognizant of minimizing all possible risks, it should be noted that, as with any transaction, there is always some possibility of loss and investors need to fully understand the risks before investing.*

When managing a single investment vehicle, MAA analyzes the opportunity in detail. MAA tends to focus on growth opportunities in small private companies. MAA is very selective and will be involved infrequently. That said, these are small private companies and ought to only be considered for the speculative portion of an investor’s portfolio. As limited partnerships, these investments are only available to the most sophisticated individual investors and institutions.

Item 9 - Disciplinary Information

An investment advisor must disclose material facts about any legal or disciplinary event that is material to a client’s evaluation of the advisory business or of the integrity of its management personnel. MAA does not have any disclosure items. The firm or its representatives have no legal or disciplinary actions to report.

Item 10 - Other Financial Industry Activities and Affiliations

IA representatives of MAA are associated with MSLLC as Registered Representatives. MSLLC is a general securities broker/dealer having membership in the Financial Industry Regulatory Authority. MSLLC is affiliated with MAA. MAA may recommend securities, asset management, or insurance products offered by MSLLC or its affiliates. If clients purchase these products through MAA, it will receive the normal commissions or fees. Thus, a conflict exists between MAA’s interests and those of advisory clients. Each client is under no obligation to purchase products recommended, or to purchase products either through MAA or through MSLLC.

MAA may exercise agreements with other registered investment advisors and recommend other advisors to clients. In such instances, MAA may receive a portion of the account fee or commissions. In these instances, MAA will make available to the client a “Compensation Disclosure Statement” and the Investment Advisor Brochure for the other advisor. The client is under no obligation to use the services of the other advisor(s) recommended.

Item 11 - Code of Ethics, Participation or Interest In Client Transactions, and Personal Trading

Code of Ethics

MAA maintains a Code of Ethics. The Code of Ethics sets forth standards of conduct expected of advisory personnel; requires compliance with federal securities laws; and, addresses conflicts that arise from personal trading by advisory personnel. Clients may request a copy of the Code of Ethics.

Participation or Interest in Client Transactions

From time to time, MAA's IA representatives may recommend to clients the purchase of limited partnerships or mutual funds that are sponsored by MAA affiliated companies when the recommendation is suitable for the client and meets their investment objectives. Clients are not obligated to purchase these funds.

Personal Trading

At times MAA and/or its IA representatives may take positions in the same securities as clients, and MAA will try to avoid conflicts with clients. The firm and its IA representatives will generally be "last in" and "last out" for the trading day when trading occurs in close proximity to client trades. All such potential for conflict is known to the Firm Principals, as these are all private transactions. MAA will not violate its fiduciary responsibilities to clients.

Item 12 - Brokerage Practices

Because the Principal and IA representatives of MAA are registered representatives with MSLLC, if clients freely choose to implement advice through MAA, the broker/dealer is MSLLC. MSLLC performs "due diligence" on mutual funds, limited partnerships, and insurance products. Only those investments that meet firm requirements will be on the MSLLC "approved product list" and be offered for sale to clients.

Item 13 - Review of Accounts and Reports on Accounts

Reviews

MAA monitors the individual investments continuously. Portfolio performance is reviewed on a quarterly basis at a minimum by Jim Robinson, owner and Principal.

Reports

Client reports will be generated for clients by custodians or administrators on a frequency disclosed in the associated offering document or investment management agreement.

Item 14 - Client Referrals & Other Compensation

Referral Fees Paid

MAA may compensate for client referrals. All solicitor agreements are in compliance with the Investment Advisers Act of 1940. In addition, all applicable federal and state laws will also be observed. All clients procured by solicitors will be given full written disclosures describing the terms and fee arrangements between the advisor and the solicitor prior to, or at the time of, entering into the advisory agreement.

Referral Fees Received

MAA may exercise agreements with other registered investment advisors and recommend other advisors to clients. In such instances, MAA may receive a portion of the account fee or commissions. In these instances, we will make available to the client a “Compensation Disclosure Statement” and the Form ADV for the other advisor. The client is under no obligation to use the services of the other advisor(s) recommended.

Item 15 - Custody

Although client assets are held at a third party independent custodian, MAA is deemed to have custody of client funds solely because of the fee deduction authority granted by the client in the investment advisory agreement. Except for this fee deduction, we do not have authority to withdraw funds out of client accounts.

Clients will receive account statements at least quarterly from the broker-dealer or other qualified custodian. Client is urged to compare custodial account statements against statements prepared by MAA for accuracy. Minor variations may occur because of reporting dates, accrual methods of interest and dividends, and other factors. The custodial statement is the official record of your account for tax purposes.

Item 16 - Investment Discretion

MAA will not have authority to withdraw funds or to take custody of client funds or securities, other than under the terms of the fee payment authorization clause in the Investment Advisory Agreement with the client.

Item 17 - Voting Client Securities

As part of the management of a single investment vehicle holding a private security, MAA will vote all shares in the vehicle on behalf of the investors as the fiduciary of the vehicle.

Item 18 - Financial Information

An investment advisor must provide financial information if a threshold of fee prepayments is met; there is a financial condition likely to impair the ability to meet contractual commitments; or, a bankruptcy within the past ten years. MAA does not have any disclosure items in this section.

Item 19 - Requirements for State Registered Advisors

Jim Robison has worked in the securities and investment related businesses since he formed his first independent company in 1994 to bring institutional research to professional money managers. Jim holds his series 65 as an Investment Advisor Representative to allow him to advise clients within MAA. Jim also acts as the manager and supervisor for the firm; any concerns regarding RIA may be direct to him.

He has also been regulated as a broker beginning in 1987 and continuously since 1998. He has focused largely on institutional business. He currently holds the series 7, series 63, series 24 and series 27 FINRA licenses. He was regulated in the UK by the Financial services authority from 2005-2006 while he lived in London.

Jim has been active in the specialty lending and private investing business since 1998. He has advised on many institutional transactions over the years involving hundreds of millions of dollars.

Max Levine joined the Middlebury Group in 2009 as an Analyst, and now Associate, for Middlebury Securities LLC and the newly formed Middlebury Asset Advisors Inc. He has provided front and back office services for the group as a project manager, syndicate manager, modeling analyst, and as general associate for the firms Principals. Max graduated from Middlebury College, cum laude, with a degree in International Politics and Economics and holds series 7, 63, 65, and 79 FINRA licenses.

Jim and Max are both free from any derogatory disclosure information.