

# Haitou Huijin (Beijing) Consulting Service Co., Ltd.

## Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Haitou Huijin (Beijing) Consulting Service Co., Ltd.. If you have any questions about the contents of this brochure, please contact us at +86 10 57177848 or by email at: [admin@haitou360.com](mailto:admin@haitou360.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 Haitou Huijin (Beijing) Consulting Service Co., Ltd. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Haitou Huijin (Beijing) Consulting Service Co., Ltd.'s CRD number is: 283901.*

88 Jianguo Road, SOHO New Town, Tower C, Suite 2001 Chaoyang District  
Beijing, 1000025  
+86 10 57177848  
[admin@haitou360.com](mailto:admin@haitou360.com)

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

Version Date: 10/19/2016

## **Item 2: Material Changes**

Haitou Huijin (Beijing) Consulting Service Co., Ltd. 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

Item 1: Cover Page	
Item 2: Material Changes.....	ii
Item 3: Table of Contents.....	iii
Item 4: Advisory Business .....	2
A. Description of the Advisory Firm.....	2
B. Types of Advisory Services.....	2
C. Client Tailored Services and Client Imposed Restrictions .....	3
D. Wrap Fee Programs.....	3
E. Assets Under Management.....	3
Item 5: Fees and Compensation.....	4
A. Fee Schedule.....	4
B. Payment of Fees.....	4
C. Client Responsibility For Third Party Fees.....	5
D. Prepayment of Fees .....	5
E. Outside Compensation For the Sale of Securities to Clients.....	5
Item 6: Performance-Based Fees and Side-By-Side Management .....	5
Item 7: Types of Clients .....	5
Item 8: Methods of Analysis, Investment Strategies, & Risk of Loss .....	5
A. Methods of Analysis and Investment Strategies.....	5
B. Material Risks Involved .....	6
C. Risks of Specific Securities Utilized .....	7
Item 9: Disciplinary Information .....	8
A. Criminal or Civil Actions.....	8
B. Administrative Proceedings .....	8
C. Self-regulatory Organization (SRO) Proceedings .....	8
Item 10: Other Financial Industry Activities and Affiliations.....	9
A. Registration as a Broker/Dealer or Broker/Dealer Representative .....	9
B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor .....	9
C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests.....	9
D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections .....	9
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	10
A. Code of Ethics.....	10
B. Recommendations Involving Material Financial Interests .....	10
C. Investing Personal Money in the Same Securities as Clients.....	10

D.    Trading Securities At/ Around the Same Time as Clients' Securities .....	10
Item 12: Brokerage Practices.....	11
A.    Factors Used to Select Custodians and/or Broker/Dealers .....	11
1.    Research and Other Soft-Dollar Benefits .....	11
2.    Brokerage for Client Referrals .....	11
3.    Clients Directing Which Broker/Dealer/Custodian to Use .....	11
B.    Aggregating (Block) Trading for Multiple Client Accounts .....	12
Item 13: Review of Accounts .....	12
A.    Frequency and Nature of Periodic Reviews and Who Makes Those Reviews.....	12
B.    Factors That Will Trigger a Non-Periodic Review of Client Accounts.....	12
C.    Content and Frequency of Regular Reports Provided to Clients.....	12
Item 14: Client Referrals and Other Compensation .....	12
A.    Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes) .....	12
B.    Compensation to Non – Advisory Personnel for Client Referrals.....	12
Item 15: Custody.....	13
Item 16: Investment Discretion .....	13
Item 17: Voting Client Securities (Proxy Voting).....	13
Item 18: Financial Information.....	13
A.    Balance Sheet .....	13
B.    Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients .....	13
C.    Bankruptcy Petitions in Previous Ten Years .....	13

## **Item 4: Advisory Business**

### **A. Description of the Advisory Firm**

Haitou Huijin (Beijing) Consulting Service Co., Ltd. (hereinafter "HHBCSCL") is a Limited Liability Company organized in China. The firm was formed in February 2016, and the principal owner is Jinlong Wang.

### **B. Types of Advisory Services**

#### ***Portfolio Management Services***

HHBCSCL offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. HHBCSCL creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels). Portfolio management services include, but are not limited to, the following:

- |                       |                                |
|-----------------------|--------------------------------|
| • Investment strategy | • Personal investment policy   |
| • Asset allocation    | • Asset selection              |
| • Risk tolerance      | • Regular portfolio monitoring |

HHBCSCL evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. HHBCSCL will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

HHBCSCL seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of HHBCSCL's economic, investment or other financial interests. To meet its fiduciary obligations, HHBCSCL attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, HHBCSCL's policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is HHBCSCL's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent, including initial public offerings ("IPOs") and other investment opportunities that might have a limited supply, among its clients on a fair and equitable basis over time.

HHBCSCL has discretion to choose third-party investment advisers to manage all or a portion of the client's assets. Before selecting other advisers for clients, HHBCSCL will always ensure those other advisers are properly licensed or registered as an investment adviser. HHBCSCL conducts due diligence on any third-party investment adviser, which may involve one or more of the following: phone calls, meetings and review of the third-

party adviser's performance and investment strategy. HHBCSCL then makes investments with a third-party investment adviser by investing with the third-party adviser. These investments may be allocated either through the third-party adviser's fund or through a separately managed account managed by such third party adviser on behalf of HHBCSCL's client. HHBCSCL may also allocate among one or more private equity funds or private equity fund advisers. HHBCSCL will review the ongoing performance of the third-party adviser as a portion of the client's portfolio.

### ***Services Limited to Specific Types of Investments***

HHBCSCL generally limits its investment advice to mutual funds, fixed income securities, real estate funds (including REITs), equities, hedge funds, private equity funds, ETFs, non-U.S. securities and venture capital funds. HHBCSCL may use other securities as well to help diversify a portfolio when applicable.

### **C. Client Tailored Services and Client Imposed Restrictions**

HHBCSCL offers the same suite of services to all of its clients. However, specific client investment strategies 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). Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent HHBCSCL from properly servicing the client account, or if the restrictions would require HHBCSCL to deviate from its standard suite of services, HHBCSCL reserves the right to end the relationship.

### **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 other administrative fees. HHBCSCL does not participate in any wrap fee programs.

### **E. Assets Under Management**

HHBCSCL has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$0	\$0	July 2016

## Item 5: Fees and Compensation

### A. Fee Schedule

#### *Portfolio Management Fees*

Total Assets Under Management	Annual Fees
\$0 - \$100,000,000	1.50%

HHBCSCL uses the value of the account as of the last business day of the billing period, after taking into account deposits and withdrawals, for purposes of determining the market value of the assets upon which the advisory fee is based.

These fees are generally negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Clients may terminate the agreement without penalty for a full refund of HHBCSCL's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract generally with 30 days' written notice.

#### *Selection of Other Advisers Fees*

HHBCSCL will receive its standard fee on top of the fee paid to the third party adviser. This relationship will be memorialized in each contract between HHBCSCL and each third-party adviser. The fees will not exceed any limit imposed by any regulatory agency.

HHBCSCL may engage in the selection of third-party money managers, but does not have any such arrangements in place at this time. This service may be canceled 30 days' notice.

### B. Payment of Fees

#### *Payment of Portfolio Management Fees*

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis, or may be invoiced and billed directly to the client on a quarterly basis. Clients may select the method in which they are billed. Fees are paid in arrears.

#### *Payment of Selection of Other Advisers Fees*

The timing, frequency, and method of paying fees for selection of third-party managers will depend on the specific third-party adviser selected.

### **C. Client Responsibility 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 HHBCSCL. Please see Item 12 of this brochure regarding broker-dealer/custodian.

### **D. Prepayment of Fees**

HHBCSCL collects its fees in arrears. It does not collect fees in advance.

### **E. Outside Compensation For the Sale of Securities to Clients**

Neither HHBCSCL nor its supervised persons accept any compensation for the sale of 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**

HHBCSCL 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**

HHBCSCL generally provides advisory services to the following types of clients:

- ❖ High-Net-Worth Individuals
- ❖ Investment Companies
- ❖ Pooled Investment Vehicles
- ❖ Corporations or Business Entities

There is no account minimum for any of HHBCSCL's services.

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

### **A. Methods of Analysis and Investment Strategies**

#### *Methods of Analysis*

HHBCSCL's methods of analysis include Fundamental analysis and Modern portfolio theory.



**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

**Modern portfolio theory** is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset.

### *Investment Strategies*

HHBCSCL uses long term trading.

**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*

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Modern portfolio theory** assumes that investors are risk averse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

### *Investment Strategies*

**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 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.

**Selection of Other Advisers:** Although HHBCSCL will seek to select only money managers who will invest clients' assets with the highest level of integrity, HHBCSCL's selection process cannot ensure that money managers will perform as desired and HHBCSCL will have no control over the day-to-day operations of any of its selected

money managers. HHBCSCL would not necessarily be aware of certain activities at the underlying money manager level, including without limitation a money manager's engaging in unreported risks, investment "style drift" or even regulatory breaches or fraud.

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

### **C. Risks of Specific Securities Utilized**

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature.

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked 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. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance.

**Real estate** funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real

estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

**Hedge funds** often engage in leveraging and other speculative investment practices that may increase the risk of loss; can be highly illiquid; are not required to provide periodic pricing or valuation information to investors; May involve complex tax structures and delays in distributing important tax information; are not subject to the same regulatory requirements as mutual funds; and often charge high fees. In addition, hedge funds may invest in risky securities and engage in risky strategies.

**Private equity** funds carry certain risks. Capital calls will be made on short notice, and the failure to meet capital calls can result in significant adverse consequences, including but not limited to a total loss of investment.

**Venture capital funds** invest in start-up companies at an early stage of development in the interest of generating a return through an eventual realization event; the risk is high as a result of the uncertainty involved at that stage of development.

**Non-U.S. securities-** present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

**Past performance is not indicative of future results. 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 HHBCSCL nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

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

Neither HHBCSCL nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

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

Jinlong Wang acts as a sponsor, general partner, or managing member of Haitou US Investment Fund, LP and from time to time, may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. HIML always acts in the best interest of the client and clients are in no way required to utilize the services of any representative of HIML in connection with such individual's activities outside of HIML.

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

HHBCSCL has discretion to choose third-party investment advisers to manage all or a portion of the client's assets. Clients will pay HHBCSCL its standard fee in addition to the standard fee for the advisers to which it directs those clients. This relationship will be memorialized in each contract between HHBCSCL and each third-party advisor. The fees will not exceed any limit imposed by any regulatory agency. HHBCSCL will always act in the best interests of the client, including when determining which third-party investment adviser to recommend to clients. HHBCSCL will ensure that all recommended advisers are licensed or notice filed in the states in which HHBCSCL is recommending them to clients.

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

### **A. Code of Ethics**

HHBCSCL has 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. HHBCSCL's Code of Ethics is available free upon request to any client or prospective client.

### **B. Recommendations Involving Material Financial Interests**

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

### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of HHBCSCL may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of HHBCSCL 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. HHBCSCL will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage 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 HHBCSCL may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of HHBCSCL 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; however, HHBCSCL will never engage in trading that operates to the client's disadvantage if representatives of HHBCSCL buy or sell securities at or around the same time as clients.

## **Item 12: Brokerage Practices**

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

Custodians/broker-dealers will be recommended based on HHBCSCL's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and HHBCSCL may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in HHBCSCL's research efforts. HHBCSCL will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

HHBCSCL will require clients to use Interactive Brokers LLC.

#### ***1. Research and Other Soft-Dollar Benefits***

While HHBCSCL has no formal soft dollars program in which soft dollars are used to pay for third party services, HHBCSCL may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). HHBCSCL may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and HHBCSCL does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. HHBCSCL benefits by not having to produce or pay for the research, products or services, and HHBCSCL will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that HHBCSCL's acceptance of soft dollar benefits may result in higher commissions charged to the client.

#### ***2. Brokerage for Client Referrals***

HHBCSCL 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***

HHBCSCL will require clients to use a specific broker-dealer to execute transactions. Not all advisers require clients to use a particular broker-dealer.

## **B. Aggregating (Block) Trading for Multiple Client Accounts**

HHBCSCL does not aggregate or bunch the securities to be purchased or sold for multiple clients. This may result in less favorable prices, particularly for illiquid securities or during volatile market conditions.

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

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

All client accounts for HHBCSCL's advisory services provided on an ongoing basis are reviewed at least Monthly by Mengchen Hu, Operations Manager, with regard to clients' respective investment policies and risk tolerance levels. All accounts at HHBCSCL are assigned to this reviewer.

### **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**

Each client of HHBCSCL's advisory services provided on an ongoing basis will receive a quarterly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian.

## **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)**

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

### **B. Compensation to Non – Advisory Personnel for Client Referrals**

HHBCSCL does not directly or indirectly compensate any person who is not advisory personnel for client referrals.



## **Item 15: Custody**

When advisory fees are deducted directly from client accounts at client's custodian, HHBCSCL will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

## **Item 16: Investment Discretion**

HHBCSCL provides discretionary investment advisory services to clients. The Investment Advisory Contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, HHBCSCL generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share.

## **Item 17: Voting Client Securities (Proxy Voting)**

HHBCSCL 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**

HHBCSCL neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

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

Neither HHBCSCL nor its management has any financial condition that is likely to reasonably impair HHBCSCL's ability to meet contractual commitments to clients.

### **C. Bankruptcy Petitions in Previous Ten Years**

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