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This brochure provides information about the qualifications and business practices of Pingora Partners, LLC. If the client has any questions about the contents of this brochure, please contact us by telephone at 307-739-8686 or email at kohnmeis@pingorapartners.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 Pingora Partners, LLC is also available on the SEC's website at www.adviserinfo.sec.gov by searching CRD# 148262.

Please note that the use of the term "registered investment advisor" and description of Pingora Partners, LLC. and/or our associates as "registered" does not imply a certain level of skill or training. The client is encouraged to review this Brochure and Brochure Supplements for our firm's associates who advise clients for more information on the qualifications of our firm and our employees.

Item 2: Material Changes

Pingora Partners, LLC (“Pingora” or the “firm”) is required to advise clients of any material changes to our Firm Brochure (“Brochure”) from our last annual update. We must state clearly that we are discussing only material changes since the last annual update of our Brochure, and we must provide the date of the last annual update.

Since the last annual amendment filed on 03/28/2019, the following changes have been made:

- Starting 2020, our firm no longer acts as a sub-advisor for Goff Focus Strategies (“Goff”). Therefore, our firm has removed any reference to acting as a sub-advisor from this document.
- Charles Schwab & Co., Inc. (“Schwab”), recently eliminated transaction fees for U.S. listed equities and exchange traded funds, as noted in Item 5.
- Our firm no longer charges performance fees to any clients, as noted in Item 6.
- Our firm has revised our minimum account balance requirement to disclose that our minimum account balance requirement is negotiable at the sole discretion of Mr. Ohnmeis, as noted in Item 7.
- Our firm has expanded our methods of analysis and investment strategies and disclosed additional risk factors. Please refer to item 8 for additional information.
- Our firm has disclosed Mr. Ohnmeis association with Wyre Partners. Please refer to item 10 for additional information.
- Our firm now reviews accounts on at least a quarterly basis for our clients as part of our asset management service, as noted in Item 13.
- Our firm does not utilize standing letters of authorization (“SLOAs”). Therefore, we have removed all references to SLOAs in Item 15.

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Item 4: Advisory Business

We are dedicated to providing individuals and other types of clients with a wide array of investment advisory services. Our firm is a limited liability company formed in the State of Wyoming and has been in business as an investment advisor since 2008. The firm is wholly owned by Keith Bryan Ohnmeis.

Description of the Types of Advisory Services We Offer

Asset Management:

We emphasize continuous and regular account supervision. As part of our asset management service, we generally create a portfolio, consisting of individual stocks or bonds including high-yield bonds, exchange traded funds ("ETFs"), options, MLP's, mutual funds and other public and private securities or investments. The client's individual investment strategy is tailored to their specific needs and may include some or all of the previously mentioned securities. Each portfolio will be initially designed to meet a particular investment goal, which we determine to be suitable to the client's circumstances. Once the appropriate portfolio has been determined, we review the portfolio at least quarterly and if necessary, rebalance the portfolio based upon the client's individual needs, stated goals and objectives.

Open Prairie Rural Opportunities Fund Consulting:

Our firm provides a variety of consulting services to Open Prairie Management, LLC, an Illinois limited liability company ("OPM") which manages a private equity fund, Open Prairie Rural Opportunities Fund (the "Fund"). This service will typically involve rendering consultations to OPM in connection to the Fund. Our consulting on the Fund may encompass deal flow management and review, development of other fund concepts and investment vehicles, and general strategic guidance.

Tailoring of Advisory Services

We offer individualized investment advice to all clients. Clients have the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account.

Participation in Wrap Fee Programs

We do not offer wrap fee programs.

Regulatory Assets under Management

We manage \$85,982,263 on a discretionary basis as of December 31, 2019.

Item 5: Fees and Compensation

Compensation for Our Advisory Services

Asset Management:

<u>Assets under Management</u>	<u>Annual Percentage of Assets Charge:</u>
All Assets	Up to 2.00%

Our firm's annualized fees are billed on a pro-rata basis quarterly in arrears based on the value of the client's account on the last day of the quarter. Fees will be automatically deducted from the client's managed account. In some cases, we will agree to directly bill clients. As part of the fee deduction process, the clients understand and acknowledge the following:

- a) The client's independent custodian sends statements at least quarterly showing the market values for each security included in the Assets and all account disbursements, including the amount of the advisory fees paid to our firm;
- b) The clients will provide authorization permitting our firm to be directly paid by these terms. Our firm will send an invoice directly to the custodian; and
- c) If our firm sends a copy of our invoice to the client a legend urging the comparison of information will be provided in our statement with those from the qualified custodian will be included.

*Billing to clients and performance reporting will be provided by a third-party group.

Open Prairie Rural Opportunities Fund Consulting:

Our firm does not charge clients for this service. OPM pays our firm a quarterly consulting fee until December 2021 for this service. At such time, our firm will be paid an annual amount going forward based on the following formula: Fee Base/Total Fund Commitments x Total Client Commitments by our firm x 0.50%. This total fee charged as well as the payment cycle will be detailed in the signed consulting agreement with the client.

Other Types of Fees and Expenses

Clients will incur wire charges, margin interest charges, reorganization fees, as well as individual transaction charges for trades executed in their accounts. These fees are separate from our fees and will be disclosed by the firm or broker that the trades are executed through. It is important to note that Charles Schwab & Co., Inc. does not charge transaction fees for U.S. listed equities and exchange traded funds. Also, clients will pay the following separately incurred expenses, which we do not receive any part of: charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses).

Termination and Refunds

We charge our advisory fees quarterly in arrears. If the client wishes to terminate our services, the client needs to contact us in writing and state that the client wishes to cancel this Agreement upon receipt of the client's letter of termination, we will proceed to close out the client's account and charge the client a pro-rata advisory fee(s) for services rendered up to the point of termination.

Commissionable Securities Sales

We do not sell securities for a commission. In order to sell securities for a commission, we would need to have our associated person registered with a broker-dealer. We have chosen not to do so.

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

Our firm does not charge performance-based fees.

Item 7: Types of Clients and Account Requirements

We have the following types of clients:

- Individuals and High Net Worth Individuals;
- Trusts, Estates or Charitable Organizations;
- Pension and Profit Sharing Plans;
- Corporations, limited liability companies and/or other business types

We require a minimum account balance of \$250,000 for our asset management service. Generally, this minimum account balance requirement is negotiable at the discretion of Mr. Ohnmeis and would be required throughout the course of the client's relationship with our firm.

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

Methods of Analysis

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

Fundamental Analysis: We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Investment Strategies We Use

We use the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

Concentrated Positions: A portfolio that holds a position that makes up a large portion of the client's overall portfolio in which the client's wealth is concentrated on the single position (which is typically represented by a position that makes up more than 10% of the client's overall portfolio). Concentrated portfolios are reviewed for appropriateness as they can increase the clients risks for market loss as well as significant tax ramifications. While these types of portfolios have an increased risk, they also have an increased potential reward. Investment portfolios that obtain the highest

returns for investors are not typically widely diversified portfolios but those with investments concentrated in a few industries, market sectors or asset classes that are substantially outperforming the overall market. A more concentrated portfolio also enables investors to focus on a manageable number of quality investments.

Long-Term Purchases: When utilizing this strategy, we may purchase securities with the idea of holding them for a relatively long time (typically held for at least a year). A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell. Typically, we employ this sub-strategy when we believe the securities to be undervalued; and/or we want exposure to a particular asset class over time, regardless of the current projection for this class. The potential risks associated with this investment strategy involve a lower than expected return, for several years in a row. Lower-than-expected returns that last for a long time and/or that are severe in nature would have the impact of dramatically lowering the ending value of the client's portfolio, and thus could significantly threaten the client's ability to meet financial goals.

Short-Term Purchases: When utilizing this strategy, we may also purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase. The potential risks associated with this investment strategy involve currency or exchange rate fluctuations and sharp downturns that may be unrecoverable due to the short time horizon of the investment.

Trading: We purchase securities with the idea of selling them very quickly (typically within 30 days or less). We do this in an attempt to take advantage of our predictions of brief price swings. Trading involves risk that may not be suitable for every investor and may involve a high volume of trading activity. Each trade generates a commission and the total daily commission on such a high volume of trading can be considerable. Active trading accounts should be considered speculative in nature with the objective being to generate short-term profits. This activity may result in the loss of more than 100% of an investment.

Short Sales: A short sale is a transaction in which an investor sells borrowed securities in anticipation of a price decline and is required to return an equal number of shares at some point in the future. These transactions have a number of risks that make it highly unsuitable for the novice investor. This strategy has a slanted payoff ratio in that the maximum gain (which would occur if the shorted stock was to plunge to zero) is limited, but the maximum loss is theoretically infinite (since stocks can, in theory, go up infinitely in price). The following risks should be considered: (1) In addition to trading commissions, other costs with short selling include that of borrowing the security to short it, as well as interest payable on the margin account that holds the shorted security. (2) The short seller is responsible for making dividend payments on the shorted stock to the entity from whom the stock has been borrowed. (3) Stocks with very high short interest may occasionally surge in price. This usually happens when there is a positive development in the stock, which forces short sellers to buy the shares back to close their short positions. Heavily shorted stocks are also susceptible to "buy-ins," which occur when a broker closes out short positions in a difficult-to-borrow stock whose lenders are demanding it back. (4) Regulators may impose bans on short sales in a specific sector or even in the broad market to avoid panic and unwarranted selling pressure. Such actions can cause a spike in stock prices, forcing the short seller to cover short positions at huge losses. (5) Unlike the "buy-and-hold" investor who can afford to wait for an investment to work out, the short seller does not have the luxury of time because of the many costs and risks associated with

short selling. Timing is everything when it comes to shorting. (5) Short selling should only be undertaken by experienced traders who have the discipline to cut a losing short position, rather than add to it hoping that it will eventually work out.

Margin Transactions: We may purchase stocks for the client's portfolio with money borrowed from the client's brokerage account. This allows the client to purchase more stock than the client would be able to with the client's available cash and allows us to purchase stock without selling other holdings. Additionally, clients may also use their portfolio as a short-term asset based source of borrowing to finance other assets such as real estate or to bridge a gap until more permanent financing for that asset can be arranged. Margin accounts and transactions are risky and not necessarily for every client. The potential risks associated with these transactions are (1) The client can lose more funds than are deposited into the margin account; (2) the force sale of securities or other assets in the client's account; (3) the sale of securities or other assets without contacting the client; and (4) the client may not be entitled to choose which securities or other assets in the client's account(s) are liquidated or sold to meet a margin call.

Option Writing: We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset. The two types of options are calls and puts. A call gives us the right to buy an asset at a certain price within a specific period. We will buy a call if we have determined that the stock will increase substantially before the option expires. A put gives us the holder the right to sell an asset at a certain price within a specific period. We will buy a put if we have determined that the price of the stock will fall before the option expires. We will use options to "hedge" a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for the client's portfolio. We use "covered calls", in which we sell an option on security the client own. In this strategy, the client receives a fee for making the option available, and the person purchasing the option has the right to buy the security from the client at an agreed-upon price. We use a "spreading strategy", in which we purchase two or more option contracts (for example, a call option that the client buys and a call option that the client sells) for the same underlying security. This effectively puts the client on both sides of the market, but with the ability to vary price, time and other factors. The potential risks associated with these transactions are that (1) all options expire. The closer the option gets to expiration, the quicker the premium in the option deteriorates; and (2) Prices can move very quickly. Depending on factors such as time until expiration and the relationship of the stock price to the option's strike price, small movements in a stock can translate into big movements in the underlying options.

Private Equity: Private equity is an equity investment into non-quoted companies. The private equity investor looks at an investment prospect as investing in a company as opposed to investing in a company's stock. Private equity funds hold illiquid positions (for which there is no active secondary market) and typically only invest in the equity and debt of target companies, which are generally taken private and brought under the private equity manager's control. Risks associated with private equity include:

- **Funding Risk:** The unpredictable timing of cash flows poses funding risks to investors. Commitments are contractually binding and defaulting on payments results in the loss of private equity partnership interests. This risk is also commonly referred to as default risk.

- **Liquidity Risk:** The illiquidity of private equity partnership interests exposes investors to asset liquidity risk associated with selling in the secondary market at a discount on the reported NAV.
- **Market Risk:** The fluctuation of the market has an impact on the value of the investments held in the portfolio.
- **Capital Risk:** The realization value of private equity investments can be affected by numerous factors, including (but not limited to) the quality of the fund manager, equity market exposure, interest rates and foreign exchange.

Private Investment in Public Equity: Private investment in public equity (PIPE) is when investors commit to the purchase of a certain number of restricted shares from a company at a specified price. The company agrees, in turn, to file a resale registration statement so that the investors can resell the shares to the public. The purpose of a PIPE is for the issuer of the shares to raise capital for the public company. However, to the extent that the shares increase the supply of a company's stock in the market, PIPE offerings can potentially dilute the value of existing shares for current stockholders.

Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear. While the financial markets and value of the securities the client's portfolio is invested in may increase and the client's account(s) could enjoy a gain, it is also possible that the financial markets and the value of the securities the client's portfolio is invested in may decrease and the client's account(s) could suffer a loss. It is important that the client understands the risks associated with investing in the financial markets, that the risks are appropriately diversified in the client's investments, and that the client asks us any questions the client may have.

Description of Material, Significant or Unusual Risks

We generally invest clients' cash balances in FDIC insured bank deposit programs or money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments. Some cash will be maintained so that our firm may debit advisory fees for our services related to Comprehensive Portfolio Management as applicable. Ultimately, we try to achieve the highest return on our clients' cash balances through relatively low-risk conservative investments.

Capital Risk: Capital risk is one of the most basic, fundamental risks of investing; it is the risk that the client may lose 100% of the client's money. All investments carry some form of risk and the loss of capital is generally a risk for any investment instrument.

Currency Risk: Currency or exchange rate risk is a form of risk that arises from the change in price of one currency against another. The constant fluctuations in the foreign currency in which an investment is denominated vis-à-vis one's home currency may add risk to the value of a security. Currency risk is greater for shorter term investments, which do not have time to level off like longer term foreign investments.

Economic Risk: The prevailing economic environment is important to the health of all businesses. Some companies, however, are more sensitive to changes in the domestic or global economy than others. These types of companies are often referred to as cyclical businesses. Countries in which a large portion of businesses are in cyclical industries are thus also very economically sensitive and carry a higher amount of economic risk. If an investment is issued by a party located in a country that

experiences wide swings from an economic standpoint or in situations where certain elements of an investment instrument are hinged on dealings in such countries, the investment instrument will generally be subject to a higher level of economic risk.

ETF & Mutual Fund Risk: When investing in an ETF or mutual fund, the client will bear additional expenses based on the client's pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients will also incur brokerage costs when purchasing ETFs.

Financial Risk: Financial risk is represented by internal disruptions within an investment or the issuer of an investment that can lead to unfavorable performance of the investment. Examples of financial risk can be found in cases like Enron or many of the dot com companies that were caught up in a period of extraordinary market valuations that were not based on solid financial footings of the companies.

Options Risk: Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put, and call options are highly specialized activities and entail greater than ordinary investment risks.

Strategy Risk: There is no guarantee that the investment strategies discussed herein will work under all market conditions and each investor should evaluate his/her ability to maintain any investment he/she is considering in light of his/her own investment time horizon. Investments are subject to risk, including possible loss of principal.

Cybersecurity Risks: The Firm and its service providers depend on information technology systems and, notwithstanding the diligence that the Firm may perform on its service providers, it may not be in a position to verify the risks or reliability of such information technology systems. The Firm and its service providers are subject to risks associated with a breach in cybersecurity. "Cybersecurity" is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from both intentional cyber-attacks and hacking by other computer users as well as unintentional damage or interruption that, in either case, can result in damage and disruption to hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. The Firm and its information and technology systems are vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although the Firm has implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, the Firm may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Firm's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to Investors (and the beneficial owners of Investors). Such a failure could harm the Firm's reputation, subject the Firm to legal claims and otherwise affect its business and financial performance. Such damage or interruptions to information technology systems may cause losses to clients by interfering with the operations of the Firm. Cybersecurity issues and risks are currently a major focus area of the SEC and other regulatory authorities.

Epidemics, Pandemics, and Public Health Issues: Our business activities as well as our clients and their operations and investments could be adversely affected by the outbreaks of epidemics in China and globally, such as CoronaVirus, Ebola, H1N1 flu, H7N9 flu, H5N1 flu, Severe Acute Respiratory Syndrome, or SARS, or other epidemics. Specifically, CoronaVirus, or COVID-19, has been spreading rapidly around the world since December 2019 and has negatively affected the global economy and the stock market. Although the long-term effects of coronavirus cannot currently be predicted, previous occurrences of other pandemic and epidemic diseases, such as H5N1 and H1N1, had an adverse effect on the economies of those countries in which they were most prevalent. A recurrence of an outbreak of any kind of epidemic, communicable disease or virus or major public health issue could cause a slowdown in the levels of economic activity generally, which would adversely affect the business, financial condition and operations of us and our clients. Should these or other major public health issues, including pandemics, arise or spread farther, we and our clients could be adversely affected by more stringent travel restrictions, additional limitations on the firm's operations or business and governmental actions limiting the movement of people between regions and other activities or operations

Item 9: Disciplinary Information

We have determined that our firm and management have nothing to disclose under the aforementioned standard.

Item 10: Other Financial Industry Activities and Affiliations

The following is a description of any relationship or arrangement that is material to our advisory business or to our clients that we or any of our management persons have with any related person listed below. We are required to identify the related person and if the relationship or arrangement creates a material conflict of interest with clients, describe the nature of the conflict and how we address it.

Pingora no longer serves as a sub-advisor for Goff Focus Strategies, LLC, ("GFS") effective December 31, 2019. Mr. Ohnmeis continues to own a personal passive interest in certain private investments managed by GFS and receives information regarding such investments from GFS as a limited partner. Mr. Ohnmeis further has a personal interest in Kulik Partners, L.P. ("Kulik Partners"), which he jointly manages and owns together with a principal of GFS, with limited administrative assistance from GFS related persons. No Pingora clients are solicited to invest in Kulik Partners. Mr. Ohnmeis devotes approximately 10% of his time to Kulik Partners.

In addition, Mr. Ohnmeis is an investor in an energy service company, Wyre Partners, LLCs ("Wyre Partners") through Kulik Partners and sits on the board of Wyre Partners. He spends less than 2% of his time devoted to this activity. Additionally, our firm has determined that a conflict of interest may exist as some clients may also be officers of the Wyre Partners and may invest alongside Mr. Ohnmeis. To mitigate this potential conflict, Mr. Ohnmeis will act in the client's best interest by ensuring that the participation of the investment does not equate to more favorable treatment for any client over another client. Further, Mr. Ohnmeis will disclose his participation in this investment and his role as a board member for any clients who may potentially invest in the same investment.

Mr. Ohnmeis is a trustee to several trusts but does not act as an investment advisor representative to the trusts. Pingora does not act as an investment advisor to any of these trusts. Mr. Ohnmeis also maintains private investments in separate private partnerships.

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

An investment advisor is considered a fiduciary and our firm has a fiduciary duty to all of our clients. As a fiduciary, it is an investment advisor's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes policies and procedures to avoid Insider Trading, as well as Personal Securities Transactions Policies and Procedures. Upon employment or affiliation, and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics.

Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. If a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided upon request.

Neither our firm nor a related person recommends to clients, or buys or sells for client accounts, securities in which our firm or a related person has a material financial interest. Mr. Ohnmeis owns, either directly or through Kulik Partners, certain public securities that are owned by our clients and may buy or sell securities and other investments that are also owned by our clients. In order to minimize this potential conflict of interest, Mr. Ohnmeis will place client interests ahead of his own interests and adhere to our firm's Code of Ethics. Further, our related persons will refrain from buying or selling the same securities prior to buying or selling for our clients in the same day unless included in an allocated block trade. This is required to ensure that all accounts included in the allocated block trade receive the same price.

Item 12: Brokerage Practices

Selecting a Brokerage Firm

We seek to recommend a custodian/broker who will hold the client's assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. With the aforementioned in consideration, our firm has an arrangement with the Schwab Institutional division of Charles Schwab & Co., Inc. ("Schwab"), which serves as the primary custodian and executing broker for client accounts. Pursuant to our agreement with Schwab, we receive services such as research and administrative functions including portfolio pricing, account statement generation and fee calculations, which are intended to support our firm in conducting business and in serving the best interests of our clients.

We have selected Schwab as custodian broker based on their reputation, financial stability, execution capabilities, discounted commission structure, the availability of mutual funds and other transactions with no transaction fee, trading platforms, electronic reporting, online access for our clients, and other services provided.

While Schwab is the primary custodian broker for client accounts, we currently manage certain small brokerage accounts at Goldman Sachs that hold residual assets that will be liquidated by Goldman Sachs upon disposition. In limited circumstances, we have executed or may execute client transactions through another broker-dealer who serves as underwriter or market maker for an issuer in a particular transaction. Such transactions generally are settled through Schwab.

Soft Dollars and Directed Brokerage

Our firm receives certain brokerage and administrative services in conjunction with our Schwab agreement, as outlined above. Aside from this, our firm does not receive any soft dollars, products or services acquired with brokerage commissions or fees.

Our firm does not receive client referrals from Schwab or any broker nor do we direct client transactions to Schwab or any other broker in return for client referrals.

While we do not have discretion to select a custodian broker on behalf of clients, we do recommend that clients utilize Schwab as their custodian broker. Each client is required to establish their account(s) with Schwab if not already done. Please note that not all advisers have this requirement.

We may allow clients to direct brokerage outside our recommendation. In such cases, we may be unable to achieve the most favorable execution of client transactions as client directed brokerage may cost clients more money. For example, in a directed brokerage account, the client may pay higher brokerage commissions because we may not be able to aggregate orders to reduce transaction costs, or the client may receive less favorable prices or account services.

Special Considerations for ERISA Clients

A retirement or ERISA plan client may direct all or part of portfolio transactions for its account through a specific broker or dealer in order to obtain goods or services on behalf of the plan. Such direction is permitted provided that the goods and services provided are reasonable expenses of the plan incurred in the ordinary course of its business for which it otherwise would be obligated and empowered to pay. ERISA prohibits directed brokerage arrangements when the goods or services purchased are not for the exclusive benefit of the plan. Consequently, we will request that plan sponsors who direct plan brokerage provide us with a letter documenting that this arrangement will be for the exclusive benefit of the plan.

Aggregation of Purchase or Sale

We perform investment management services for various clients. There are occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by our firm, which involve accounts with similar investment objectives. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they are effected only when we believe that to do so will be in the best interest of the affected accounts. When such concurrent authorizations occur, the objective is to allocate the executions in a manner which is deemed equitable to the accounts involved. In any given situation, we attempt to allocate trade executions in the most equitable manner possible, taking into consideration client objectives, current asset allocation and availability of funds using price averaging, proration and consistently non-arbitrary methods of allocation.

Item 13: Review of Accounts or Financial Plans

We review accounts on at least a quarterly basis for our clients as part of our asset management service. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. Only the Firm's Managing Member will conduct reviews.

We may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc. We do not provide written reports to clients, unless asked to do so. We communicate with clients verbally as needed and provide verbal reports to clients take on at least an annual basis when we meet with clients.

Item 14: Client Referrals and Other Compensation

Other Compensation

Except for the arrangements outlined in Item 12 of this brochure, we have no additional arrangements to disclose.

Client Referrals

We do not pay referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm in accordance with Rule 206 (4)-3 of the Investment Advisers Act of 1940.

Item 15: Custody

We do not have custody of client assets. All of our clients receive account statements directly from their qualified custodians at least quarterly upon opening of an account. If our firm decides to also send account statements to clients, such notice and account statements include a legend that recommends that the client compare the account statements received from the qualified custodian with those received from our firm. Clients are encouraged to raise any questions with us about the custody, safety or security of their assets and our custodial recommendations.

Item 16: Investment Discretion

Our clients need to sign a discretionary investment advisory agreement with our firm for the management of their account. This type of agreement only applies to our Asset Management clients. We do not take or exercise discretion with respect to our other clients.

Item 17: Voting Client Securities

We do not vote proxies on behalf of clients and will not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to our firm, we will forward them on to the client and ask the party who sent them to mail them directly to the client in the future. Clients may call, write or email us to discuss questions they may have about particular proxy votes or other solicitations.

Item 18: Financial Information

We are not required to provide financial information in this Brochure because:

- We do not require the prepayment of more than \$1,200 in fees and six or more months in advance.

- We do not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients.
- We have never been the subject of a bankruptcy proceeding.