

## **Examination Information Request List**

### **Examination Period**

Information is requested for the period January 1, 2011 through May 31, 2013 (the "Examination Period") unless otherwise noted.

### **Organizing the Information to be provided**

In order to efficiently process the material assembled for the staff's review, please label the information so that it corresponds to the item number in the request list. This list is divided between Part I and Part II, in order to help the Registrant prioritize the collection of data for the staff. The information should be provided in the timeframes indicated at the outset of Part I and Part II, where possible. If information provided is responsive to more than one request item, you may provide it only once and refer to it when responding to the other request item numbers. If any request item does not apply to your business, please indicate "N/A" (not applicable). Registrant may use an electronic copy of this request list to provide its answers below the applicable questions. Electronic copies of documents are the ideal delivery method.

### **PART I: Information to be provided by July 10, 2013**

1. Adviser's organization chart showing ownership percentages of the Adviser and control persons and a schedule or chart of all affiliated entities.
2. Names of any of the Adviser's officers and/or directors who resigned during the Examination Period and information regarding the reason for their departure.
3. List of current employees, partners, officers and/or directors and their respective titles.
4. Names of employees who were disciplined and/or terminated during the Examination Period and information regarding the reason for the action.
5. Identify any employees of the Adviser that resigned or were terminated that filed or stated complaints against the firm or its employees, alleging potential violations of securities laws as the cause for the resignation or termination.
6. Current standard client advisory contracts or agreements.
7. Provide standard client agreement for Adviser's wrap fee program.
8. All sub-advisory agreements executed with other investment advisers.
9. The Form ADV Part 2A furnished to clients during the Examination Period and any disclosure document used in conjunction with or in lieu of Part 2A.

10. Provide copies of all wrap fee program Schedule H/Wrap Brochure(s) used during the Examination Period.
11. Current fee schedule(s), if not otherwise stated in advisory contracts or in Form ADV Part 2A.
12. Any power of attorney obtained from clients, if not otherwise stated in advisory contracts.
13. Names of any joint ventures or any other businesses in which the Adviser or any officer, director, portfolio manager, or trader participates or has any interest (other than their employment with the Adviser), including a description of each relationship.
14. The names and location of all service providers and the services they perform and for both affiliated and unaffiliated providers, information about the due diligence process to initially evaluate and monitor thereafter the work provided and how potential conflicts and information flow issues are addressed.
15. Any threatened, pending and settled litigation or arbitration involving the Adviser or any “supervised person” (if it relates to the individual’s association with the Adviser or a securities-related matter) including a description of the allegations, the status, and a brief description of any “out of court” or informal settlement. Note that “supervised person” is any partner, officer, director (or other person occupying a similar status or performing similar functions), or employee of an investment adviser, or other person who provides investment advice on behalf of the investment adviser and is subject to the supervision and control of the investment adviser (defined in Section 202(a)(25) of the Investment Advisers Act of 1940). If none, please provide a written statement to that effect.
16. Please provide the staff with a list of all committees, the members of each committee, and the responsibilities of each committee. Please identify any members of any committee who are not employees of Registrant or its affiliates, provide any agreements related to their committee service, provide the total cash and non-cash compensation paid to them for their committee service and provide a summary of any other business relationships the Registrant has with that committee member.
17. Names of all fair-valued and any illiquid securities held by clients, a description of any fair value process employed including any testing and results and all fair value reports prepared or reviewed by a valuation committee.
18. Names of any publicly traded companies for which employees of the Adviser or its affiliates’ serve as officers and/or directors, and the name(s) of such employees.
19. Names of companies for which employees of the Adviser or its affiliates’, serve on creditors’ committees, and the name(s) of such employees.
20. A trade blotter (*i.e.*, purchases and sales journal) that lists transactions (including all trade errors, cancellations, re-bills, and reallocations) in securities and other financial instruments

(including privately offered funds) for: current and former clients; proprietary and/or trading accounts and access persons. The preferred format for this information is to provide it in Excel as indicated in Exhibit 1.

21. Provide the information below for all current advisory clients, including privately offered funds. The preferred format for this information is in Excel. If the requested information is not applicable to ALL clients then simply provide a statement to that effect.
- a. the Account number, name and current balance, as of May 31, 2013;
  - b. whether the client is a related person, affiliated person, or a proprietary account;
  - c. the type of account (*e.g.*, individual, defined benefit retirement plan, registered fund, or unregistered fund);
  - d. the account custodian and location;
  - e. whether or not the custodian sends periodic account statements directly to the client; whether or not the delivery is electronic, if so, a copy of the authorization; and the form of electronic delivery (*e.g.*, email or website login);
  - f. whether or not the Adviser has discretionary authority;
  - g. whether the Adviser, an officer, an employee, or an affiliate acts as trustee, co-trustee, or successor trustee or has full power of attorney for the account;
  - h. whether Adviser or related persons are deemed to have custody of, possession of or access to the client's assets, and if so, the location of the assets;
  - i. the investment strategy (*e.g.*, global equity, high-yield, aggressive growth, long-short, or statistical arbitrage) and the performance composite in which it is included, if any;
  - j. the Account portfolio manager(s);
  - k. whether the account participates in a wrap program and if it does provide the name of the wrap program;
  - l. whether client has a directed brokerage arrangement, including commission recapture (provide the name of broker(s), details of the arrangement and any reports used to monitor payments of commissions);
  - m. the value of each client's account that was used for purposes of calculating its advisory fee for the most recent billing period;
  - n. whether the client pays a performance fee and the most recent account performance figures;
  - o. whether the client is eligible for any advisory fee discounts, identify the type and amount of discount if eligible;
  - p. whether or not advisory fees are paid directly from the client's custodial account;
  - q. whether the client executed a written consent prospectively authorizing the Registrant to effect principal transactions for such advisory client;
  - r. whether the client executed a written consent prospectively authorizing the Registrant to effect agency cross transactions for such advisory client;
  - s. whether the client is a "government entity" or a "covered investment pool" offered as an investment option in a government pension plan. Provide the identity of any third-party that was used to solicit this client.
  - t. for clients obtained during the Examination Period, provide account inception date and name(s) of consultant(s) related to obtaining the client, if any.

22. Names of advisory clients lost, including the reason, termination date and asset value at termination.
23. Names of any financial planning, pension consulting or other advisory clients not named in response to Item 21 above.
24. Any restricted, watch or grey lists that were in effect for the examination period.
25. Any fee splitting or revenue sharing arrangements.
26. Adviser's balance sheet, trial balance, general ledger, cash receipts and disbursements journal, income statement, and cash flow statements as of the end of its most recent fiscal year and the most current year to date.
27. Any loans from clients, including promissory notes, to the Adviser or Associated Persons of Registrant, or sales of the Adviser's or any affiliate(s) stock to clients.
28. For clients where the Adviser is deemed to have custody of clients' assets, please request that the Custodian(s) provide an acknowledgement that it sends account statements directly to clients (rather than solely to the Adviser) at least quarterly and provide the names of these clients (if this is an accurate statement). The Custodian should send the acknowledgment directly to:

U.S. Securities and Exchange Commission  
District Office  
Address  
City State

29. For each client account, provide the name, account number, address, and contact information (e.g., contact name, mailing address, phone number and e-mail address), for the entities that maintained custody of the cash/securities of each client's account during the Examination Period. For any securities that were not maintained with a qualified custodian, please include a description of the security, security name, location of the security, and the name of the clients who held such securities. For purposes of this request, you may exclude any assets held pursuant to a derivative or swap contract. Such information, if applicable, may be requested later.

The staff may request that the custodian(s) of specific client accounts provide the staff directly with a confirmation of all positions, including cash, short positions, and loans, held as of particular dates.

## **PART II: Information to be provided by July 15, 2013**

### **General Information**

1. Any written guidance used to comply with Regulation S-P, including that addressing administrative, electronic, and physical safeguards for the protection of customer records and information. Each form of privacy notice (initial, simplified, short-form initial, revised, and annual) sent to consumers and customers and written description of how and when the Registrant provides notice to its clients and customers.
2. Documentation of controls of employee access (*i.e.*, electronic key card entry, locks, security cameras, and guards) to physical locations containing customer information (*i.e.*, buildings, computer facilities, and records storage facilities).
3. Documentation of electronic access controls, including user authorization and authentication, firewall configuration, security advisories on vulnerabilities in software and hardware installation configurations, and implementing workarounds, security patches, and upgrades.
4. The Registrant's business continuity plan and documentation regarding the results of the Registrant's most recent test of its business continuity plan

### **Information Regarding the Adviser's Compliance Program, Risk Management and Internal Controls**

5. Compliance policies and procedures that were in effect during the Examination Period for the Adviser and its affiliates'.
6. Information relating to the firm's compliance testing, including any compliance reviews, quality control analyses, surveillance, and/or forensic or transactional tests performed by the firm. This information should include any significant findings, both positive and negative, of such testing and any information about corrective or remedial actions taken regarding these findings.
7. Any client complaints, and information about the process used for monitoring client correspondence and/or complaints, including the name of any third-party service provider used and the Adviser's oversight of the service provider.
8. Documentation maintained regarding any reviews conducted of the Adviser's policies and procedures, including any annual and/or interim reports.
9. A record of any non-compliance with the Adviser's Compliance policies and procedures and of any action taken as a result of such non-compliance.
10. A current inventory of the Adviser's compliance risks that forms the basis for their policies and procedures, including any changes made to the inventory and the dates of the changes.

11. Any written guidance that the Adviser have provided to their employees regarding their compliance risk assessment process and the process for creating policies and procedures to mitigate and manage compliance risks.
12. Any internal audit review schedules and completed audits including the subject and the date of the report for a three year period.
13. Information about the oversight process the Adviser uses for any remote offices and/or independent advisory contractors, and any policies and procedures with respect to such oversight.
14. Names of all pricing services, quotation services, and externally-acquired portfolio accounting systems used in the valuation process and information about whether they are paid in hard or soft-dollars, or a combination.
15. A list of securities for which the price provided by a pricing service was overridden by the adviser, sub-adviser, or Board of Directors and the date of such override.

### **Portfolio Management**

16. Describe the process used for cross trading between advised or affiliated accounts. Include a description of any changes to the process during the Examination Period. For the purposes of this response, cross trades are defined as transactions involving the transfer of a holding from one account to another account managed by the Adviser or managed by an affiliated person.
17. The Adviser's ten most profitable and ten least profitable (including unrealized gain or loss) investment decisions based on total return of positions opened and closed for each investment strategy or mandate offered to clients. Please include the purchase date, sale date, percentage of gain and/or loss, and dollar amount of the gain and/or loss.
18. Please provide a list of all securities for which the Adviser or its related persons made 13F, 13D and/or 13G filings for the relevant reporting dates with corresponding ownership percentages. In addition, please provide all 13D, 13F, and 13G filings made pursuant to Section 13 of the Securities Exchange Act of 1934 (the "Exchange Act"), preferably in an electronic format, by the Adviser or its related persons during the Examination Period.
19. All initial public offerings and secondary offerings in which clients, proprietary accounts or access persons participated and, if not stated in policies and procedures or if the allocation did not follow standard policies and procedures, information regarding how allocation decisions were made. Include the trade date, security, symbol, total number of shares, and participating accounts. For initial public offerings, indicate whether shares traded at a premium when secondary market trading began. The preferred format for this information is in Excel.

20. Copy of the Registrant's Pay-to-Play policies and procedures.

### **Brokerage Arrangements**

21. Any documents created in the evaluation of brokerage arrangements and best execution.

22. Policies and procedures with respect to trade errors and information related to any errors.

### **Conflicts of Interest and/or Insider Trading**

23. The Adviser's and affiliates' Code of Ethics and insider trading policies and procedures.

24. If not stated in policies and procedures, information about the process used to monitor and control the receipt, flow and use of non-public information, including any restricted, watch or grey lists.

25. List of Access Persons

26. If not incorporated in the Code of Ethics:

- a. Any policies and procedures adopted to address exemptions for employees, including those for personal hardship.
- b. Any policies and procedures governing personal trading of contract employees and temporary employees.
- c. Any procedures for monitoring personal trading of Access Persons.
- d. A description of the process used to monitor and control the receipt, flow, and use of non-public information, including any restricted, watch, or grey lists used.

27. Access to reports of securities transactions by Access Persons. Staff may request a sample of reports.

### **Performance Advertising and/or Marketing**

28. All pitch books, one-on-one presentations, pamphlets, brochures, and any other promotional and/or marketing materials furnished to existing and/or prospective clients for each investment strategy and/or mandate.

29. All advertisements used to inform or solicit clients. If information on services and investments is available on the Internet, such as websites and blogs, make all versions available as either printouts or electronic archives.

30. If Adviser's website includes sections for clients or advisory representatives that are accessible only with a username and password, please establish a temporary username and password for the staff's use during the examination and include them in your response.

31. All agreements, correspondence, and separate disclosure documents associated with third-party solicitors.
32. All parties, outside third-party solicitors, compensated for soliciting clients, including: total cash and non-cash compensation paid, a summary of the business relationship with that entity (e.g., consulting, prime brokerage, securities lending, etc.), and all agreements and correspondence.
33. All requests for proposals (“RFPs”) and due diligence questionnaires (“DDQs”) completed.

### **Custody**

34. Sample copy of client account statements that includes the notice required by 206(4)-2(a)(2), i.e., “statement urging the client to compare the account statements from the custodian with those from the adviser.



## EXHIBIT 1

### Layout for Securities Trading Blotter/Purchase and Sales Journal

In conjunction with the scheduled examination, the staff requests records for all purchases and sales of securities for portfolios of advisory clients and proprietary accounts being advised by the Registrant. Please provide this record in Microsoft **Excel** format on compact discs. This record should include the fields of information listed below in a similar format.

**Please provide separate worksheets for: (i) equities (Note: ETF trades should be included with equities); (ii) fixed income; (iii) cash or cash equivalents, maturities, calls, pay-downs, expirations, or reinvestments of mutual fund dividends or capital gains distributions; (iv) mutual funds; and (v) options, futures, swaps and other derivatives.**

Examples:

#### I. Sample Trading Blotter for Equity Securities

Client Name/#	Trade Date	Settle Date	Buy/Sell	CUSIP	Security Symbol	Security Description	Quantity	Unit Price	Principal/Proceeds/Notional Value	Total Commission	Fees	Net Amount	Broker
155	1/1/00	1/3/00	B	1234567	MSFT	Microsoft Corp	100	\$100.00	\$10,000	\$10.00		\$10,010.00	ABC
123	1/2/00	1/5/00	S	89101112	IBM	IBM Corp.	500	\$100.00	\$50,000	\$50.00	\$1.67	\$49,948.33	DEF

#### II. Sample Trading Blotter for Fixed-Income Securities

Client Name/#	Trade Date	Settle Date	Buy/Sell	CUSIP	Security Description 1 (Issuer)	Security Description 2 (Coupon Maturity, etc)	Quantity	Unit Price	Accrued Interest	Principal Value / Proceeds	Total Commission	Net Amount	Broker
155	4/2/98	4/6/98	B	802586AG2	SANTA ROSA CA PKG FACS DIST	4.60% 07-02-2004	50,000	100	\$95.83	\$50,000	\$0	\$50,095.83	GHI

#### III. Sample Trading Blotter for Derivative Securities

Client	Trade	Settle	Buy	CUSIP	Security Description 1	Security Description 2	Quantity	Unit	Principal Value /	Total	Net	Broker	Security	Economic Position "Long or
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Name/ #	Date	Date	Sell		(Issuer)	(Coupon Maturity, etc)		Price	Payments	Proceeds	Commission	Proceeds		Type	Short” Position
178	4/1/05	4/3/05	B	DR80258RG	Deutsche Bank AG, Microsoft Corp., Credit Default Swap	6 Months 10-01-2005	100,000	100	\$95.83	\$100,000	\$0	\$100,095.83	DB	Credit Default Swap	Buying Protection
182	2/1/07	2/3/07	S	MOSMS149	Morgan Stanley; PD: If credit spreads as represented by the Barclays Capital U.S. CMBS AAA 8.5+ Index widen, pays the spread change minus 50 basis points*; RD: If credit spreads as represented by the Barclays Capital U.S. CMBS AAA 8.5+ Index narrow, receives the spread change*; (TWSP)	9 Months 11-01-2007	150,000	100	\$0	\$150,000	\$0	\$150,000	MOR	Total Return Swap	Economic Long