



2843 Executive Park Drive • Weston FL 33331

954-385-9624 • www.EmeraldAssetAdvisors.com

**Firm Brochure
(Part 2A of Form ADV)**

September 1, 2011

This Brochure provides information about the qualifications and business practices of Emerald Asset Advisors, LLC. If you have any questions about the contents of this Brochure, please contact us at 954-385-9624 or by email at: dnaitove@emeraldasset.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.

Emerald Asset Advisors, LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Emerald Asset Advisors, LLC (CRD #107935) is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which required changes to the disclosure document that we are required to provide to our clients. This Brochure dated December 31, 2010 is a new document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and contains certain new information that our previous brochure did not require.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. The new SEC rules require that we provide you a summary of any material changes to this Brochure and any subsequent Brochures within 120 days of the close of our business’ fiscal year. In addition, we will provide you other ongoing disclosure information about material changes or an updated brochure when necessary.

In the future, this section “Material Changes” will summarize any material changes that are made to the Brochure. Currently, our Brochure may be requested by contacting Donna Naitove, the firm’s Chief Compliance Officer, at 954-385-9624 or dnaitove@emeraldasset.com. Our Brochure is also available on our web site www.emeraldassetadvisors.com, free of charge.

Additional information about Emerald Asset Advisors is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with Emerald who are registered, or are required to be registered, as investment adviser representatives of Emerald.

Material Changes Since the Last Update of December 31, 2010

Change in EAS Funds Portfolio Management Team

Robert Isbitts served as a Portfolio Manager on Emerald’s Investment Committee with respect to the investment management of the EAS Genesis Fund and EAS Global Cycle Fund. This arrangement was terminated on August 26, 2011. Mr. Isbitts has no further affiliation with Emerald.

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Brochure Supplement(s)

Item 4 – Advisory Business

Firm Description

Emerald Asset Advisors, LLC (“Emerald”) was founded in 1998 and is federally registered with the SEC (Securities and Exchange Commission) as a Registered Investment Advisor.

Emerald provides discretionary and non-discretionary investment management services to individuals, trusts, estates, foundations, retirement plans, corporations and registered investment companies. Emerald also serves as the sub-advisor to clients who are also clients of wealth managers not affiliated with Emerald. Emerald supplies model portfolio strategies to turnkey asset management programs.

Assets under the direct management of Emerald are held at independent custodians including Charles Schwab & Co. Emerald does not serve as a custodian of client assets.

Principal Owners

Running Rebel Consulting, LLC is a 76% owner of Emerald. Running Rebel Consulting, LLC is wholly owned by the Scot L. Hunter Revocable Trust, for which Scot L. Hunter serves as the Trustee.

DDIAWA Consulting, Inc. is a 24% owner of Emerald. DDIWA Consulting, Inc. is wholly owned by Allan M. Budelman.

Managed Assets

As of December 31, 2010, Emerald managed \$276,463,488 in assets for 575 accounts or approximately 150 households. \$275,665,757 is managed on a discretionary basis and \$797,731 is managed on a non-discretionary basis.

Types of Advisory Services

Asset Management Services for Private Clients of Emerald

Emerald provides advice as to the allocation of client portfolios and the investment of client assets. Investment advice is tailored to the individual needs of each client. Emerald evaluates the client’s personal and financial circumstances at the onset of the relationship, and periodically thereafter. Each client is advised that it remains his responsibility to promptly notify Emerald when there is any change in his financial situation and/or financial objectives for the purpose of reviewing, evaluating or revising previous recommendations or services.

Clients may impose restrictions on investing in certain securities or types of securities. This must be executed in writing and signed by the client, Emerald and any third-party manager if applicable.

The advisory engagement requires execution of a written contract and includes implementation of recommendations accepted by the client, unlimited telephone support, meetings as required, on-going communication and provision of periodic performance and portfolio reports.

Sub-Advisory Services (Asset Management for Clients of other Investment Professionals)

Other registered investment advisors and investment professionals (the “primary advisor”) may hire Emerald to manage their clients' assets. In these arrangements, Emerald will implement and manage an investment strategy in the client’s account; however, Emerald does not serve as the primary advisor to the client. The primary advisor will retain direct contact with the client and will manage the client relationship. The primary advisor’s client will typically enter into an advisory contract directly with Emerald or alternatively, depending on the contractual arrangement the client has with his primary advisor, Emerald may contract directly with the primary advisor to provide the client investment advisory services.

Emerald will have exclusive investment discretion as to which securities shall be purchased or sold in the sub-advised client’s account in a manner consistent with the client’s selected product, investment objectives, policies and restrictions (if any) and the capabilities of the broker-dealer. Emerald currently provides investment advisory services to sub-advised clients through Charles Schwab Institutional Services, Fidelity Capital Markets and TD Ameritrade Institutional. Emerald may enter into similar arrangements with other broker/dealers in the future.

Accounts will typically be invested in one of the three strategies described in Item 8. In order to determine whether the strategy is suitable for a client, Emerald will obtain documentation of the client’s risk parameters and goals.

Model Portfolios

Emerald provides model strategy portfolios to turnkey asset management programs and other third party investment platforms (together, the “Programs”). These model portfolios may be used by other advisers in managing their clients’ assets. Emerald earns a fee based on the value of the client assets assigned to their models. The adviser who enrolls clients in the models will explain the elements of the Emerald strategies, the applicable fees and will perform all screening, suitability and compliance processes applicable to such transactions. Emerald does not have investment discretion over account assets and may not place trades or vote proxies. The client or his adviser may determine to use all, a portion or none of the model recommendations.

The EAS Genesis Fund and the EAS Global Cycle Fund

Emerald serves as investment adviser to the EAS Genesis Fund and the EAS Global Cycle Fund (the “Funds”) which are series funds offered by an open-end management investment company, the Northern Lights Fund Trust (the “Trust”). The Trust is registered under the Investment Company Act of 1940, as amended (the “Act”) and operates as a “series company” within the meaning of Rule 18f-s under the Act.

Consulting Services

Emerald may, in limited circumstances, perform general consulting services or perform special projects for a fee. Under such arrangements, Emerald shall render advice regarding assets or accounts not managed by Emerald. Emerald has no obligation to instruct any broker or custodian to take any action in furtherance of any advice provided to a consulting customer.

Item 5 – Fees and Compensation

Asset Management Fees for Private Clients of Emerald

Fees are individually negotiated and are based on the aggregate asset value under advisement. In the event the client determines to engage Emerald, Emerald shall charge an annual investment management fee based upon a percentage of the market value of the assets being managed by Emerald. The investment management fee will be up to 1.25% of assets under management.

Tiered Fee Schedule

<u>Assets Under Management</u>	<u>Annual Fee</u>
First \$2 million	1.25%
Next \$3 million	1.00%
Over \$5 million	.75%

Explanation of Fees

How Emerald's Fees are Calculated and Charged

Asset-based fees are billed quarterly in advance based on the value of the assets at the end of the prior quarter. Fee determination may vary among clients based on factors which include the total client relationship of all related parties' accounts. The first payment is due upon execution of the advisory contract and will be assessed pro rata in the event that the advisory contract is executed at any time other than the first business day of a calendar quarter. Thereafter, for succeeding calendar quarters the management fee shall be payable in advance, at the beginning of each calendar quarter and shall be based on the asset value of the account as of the last trading day of the previous calendar quarter. The client may make additions to the account at any time. Additional assets received into the account will be charged a pro rata fee based upon the number of days remaining in the quarter. No fee adjustments will be made for partial withdrawals or for account appreciation or depreciation within a billing period.

Both Emerald's advisory contract and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of Emerald's investment advisory fee and to directly remit that management fee to Emerald in compliance with regulatory procedures. In the limited event that Emerald bills the client directly, payment is due upon receipt of Emerald's invoice.

Clients may terminate without penalty within five days of Emerald's execution of the Advisory Contract. Otherwise, clients may terminate their account at any time, in which case fees will be prorated up to and including the termination date which is evidenced by receipt of written instructions from the client. If the daily proration results in an amount to be rebated to the client, the client will be promptly refunded. In the event the client terminates prior to twelve months from inception, a termination fee will be imposed to adjust the annual payment to a minimum of \$1,000.

Alternatively, clients in certain situations may negotiate a fixed hard dollar fee which is billed quarterly.

Fees and Commissions from Brokerage Transactions

The client's account custodian (or broker-dealer) charges brokerage commissions and transaction fees. Clients may also incur other charges imposed by custodians, brokers, third party investment advisers and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. These fees and charges are separate from Emerald's fees.

Clients may choose to custody their assets with (or purchase products through) broker-dealers not recommended by Emerald if administratively feasible. Typically, Emerald requires daily downloadable files compatible with Emerald's database management system from the custodian and a workable order entry platform and account interface. Emerald will provide adequate written disclosures to any client who requests directed brokerage explaining that the arrangement may impair our ability to obtain best execution for the client and that the client may not benefit from aggregated orders and negotiated commission rates. Item 12 further describes the factors that Emerald considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

Other Fees

Emerald recommends no-load mutual funds to certain of its clients. These clients will pay two levels of advisory fees for the management of their assets, one directly to Emerald and one indirectly to the managers of the mutual funds held in their portfolio. In some instances, it may be less expensive for an investor to invest in the underlying funds directly.

Emerald advises certain of its clients on the asset allocation or investment selection within their variable annuities. These clients will pay two levels of advisory fees for the management of their assets, one directly to Emerald and one indirectly to the annuity company.

Emerald's Advisory Contract grants us the discretion to hire a third party unaffiliated sub-advisor to manage all or a portion of the client's assets. When a sub-advisor manages our clients' assets, the client will be subject to the sub-advisor's management fees and other expenses. These fees and expenses are in addition to Emerald's management fees and expenses.

Sub-Advisory Services Fees (Asset Management for Clients of Other Investment Professionals)

When other advisers and investment professionals (i.e., the primary advisers) hire Emerald to manage their clients' accounts, there are three components that comprise the fee/pricing structure in the sub-advisory relationship: the primary Adviser's management fee, Emerald's management fee, and the broker-dealer's fee for brokerage and custody services. Emerald's fee is 0.75% per annum based on the client's assets under management. (For more information about how Emerald calculates and charges its fees, please see the previous section "Explanation of Fees.") Emerald's minimum sub-advised account size is \$150,000. At the discretion of Emerald, minimum amounts to open accounts may be lowered and some clients may negotiate a lesser management fee. The client should see his primary Adviser's Form ADV Part 2A for more information regarding the Adviser's fees, as they will vary

by Adviser. For brokerage and custody services, the broker-dealer will charge a transaction fee on trades executed in the client's account and may also charge custodial and other fees.

Model Portfolios and TAMP Program Fees

When an Adviser enrolls a client in an Emerald model on a Program platform, the client will pay Emerald's model provider fee, their Adviser's management fee, and the Program fee, which includes custodial, transaction and administration fees. Emerald's fee may range up to 0.65% annually in these arrangements. Emerald reserves the right to negotiate model provision fees with a client's Adviser based on the Adviser's total client assets enrolled in Emerald models on the TAMP. Program fees vary by platform.

The EAS Genesis Fund and the EAS Global Cycle Fund Fees

Emerald serves as investment adviser to the EAS Genesis Fund and the EAS Global Cycle Fund (the "Funds") which are series funds offered by an open-end management investment company, the Northern Lights Fund Trust (the "Trust"). Under the terms of the Investment Advisory Agreements with the Funds, Emerald, at its own expense and without reimbursement from the Funds, furnishes office space and all necessary office facilities, equipment and executive personnel for managing the investments of the Funds. The Funds will pay to Emerald on the last day of each month a fee at an annual rate equal to 1.00% for the EAS Genesis Fund and 0.75% for the Global Cycle Fund predicated on the daily average net asset value of the portfolio. Emerald will pay a portion of its management fee to Emerald Allocation Strategies, its affiliated RIA, for raising assets for the Funds.

To the extent that a client account has assets invested in the Funds, that account will not be charged a fee on those assets. Such assets will not be considered part of the client's account for the purpose of calculating management fees. However, the Funds will pay a management fee to Emerald as noted above.

Consulting Services Fees

Because consulting services or performing special projects (such as analysis of potential investments) are typically unique, the fees charged for these services are separately negotiated with each client, but are generally based on an hourly or per project rate.

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

Emerald does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). However, the nature of asset-based fees allows Emerald

to participate in the growth of the client's wealth. This also means that our fees can decline when the portfolio declines in value.

Item 7 – Types of Clients

Emerald provides portfolio management services to individuals, high net worth individuals, estates, guardianships, corporate pension and profit-sharing plans, corporations, foundations and registered investment companies (mutual funds).

Minimum Investment for Private Clients

Emerald requires a minimum investment for a new client *household* (i.e., a client's aggregate accounts under management) in the amount of \$2,000,000 for private asset management services. The minimum investment may be waived at Emerald's discretion.

Minimum Investment for Clients of Other Investment Professionals (i.e., Sub-Advised Accounts)

Emerald requires a minimum investment in the amount of \$150,000 for each sub-advised account. The minimum investment may be waived at Emerald's discretion. Emerald does not serve as the primary advisor in these arrangements.

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

Emerald uses the following securities analysis methods:

Fundamental Analysis: a method of evaluating a security that entails attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and company-specific factors (like financial condition and management).

The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price, with the aim of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short).

Emerald's fundamental analysis may include the following:

1. Our view of the global economic and investment climate, as driven by investment committee's research efforts.
2. Where are the Bull Markets on a cyclical and secular basis?
3. What themes (e.g., arbitrage, convertibles, small-cap companies, emerging markets, gold) should be included in the portfolio that offer the strongest reward/risk opportunities over multiple time frames, but with an emphasis on periods further out in time.
4. Identify funds and/or ETFs that, in our opinion, best embody that theme. In some cases, options may be used to express the theme in the portfolio.
5. Does each particular theme fit into the overall portfolio, without overlapping significantly?

Technical Analysis (or "Charting"): is a set of techniques in which charts and graphs are used to plot price movements, volume and other indicators, in order to anticipate future price movements. Users of these techniques, called chartists or market technicians, believe that past trends in these indicators can be used to extrapolate future trends, and that conditions of undervaluation and overvaluation can be identified. Emerald uses technical analysis to help determine when to enter/exit particular themes or securities. More specifically, we look to enter when we view the security that we are buying as technically "undervalued" on a short to medium term basis. Daily and weekly charts are used, with an emphasis on weekly. The opposite applies for a sell (i.e. look for overvalued).

Cyclical Analysis: a form of fundamental analysis involving the process of making investment decisions based on the different stages an industry is at during a given point in time. The type of position taken will depend on firm specific characteristics, as well as where the industry is at in its life cycle.

Where We Obtain Information

Primary sources of information include Morningstar, Zephyr, fund prospectuses, financial newspapers, company press releases and magazines, research materials prepared by others and annual reports. Investment committee members also conduct on and off-site visits with funds and portfolio managers, participate in conference calls and attend industry conferences.

Types of Investments

Emerald typically invests client assets in the following types of securities:

- No-load mutual funds;
- Exchange traded funds (ETFs);

- Equities;
- Government, corporate and municipal bonds;
- Certificates of deposit;
- Commercial paper;
- Equity and index options; and
- Mutual funds or ETFs that provide exposure to the short side of the market (i.e., they are designed to provide investment returns that are opposite of the market index they track).

Emerald may also hire unrelated third-party money managers with expertise in certain investment techniques or styles to sub-advise its clients' accounts.

Investment Strategies

Emerald uses strategic asset allocation as its primary investment strategy for its clients. Like many others, our philosophy centers on the preservation and growth of capital. However, we employ a flexible and adaptive approach in our investment practice - flexible in the types of investment sub-styles and strategies we pursue (including the use of short positions) and adaptive in our ability to be nimble and capitalize on changing market conditions. Emerald has an open architecture platform and when allocating a client's portfolio, we may elect to use our own strategies and Funds or we may choose other unaffiliated Funds and sub-advisers who we believe have expertise in certain techniques or styles; whichever we believe will best accomplish the client's objectives and goals.

Model Portfolios

Emerald has developed model portfolios for three investment strategies. Each strategy is designed to target a different investment time horizon, risk tolerance and potential for return. We maintain diversification by utilizing multiple mutual fund managers and investment styles. We control the net long equity exposure in our strategies by using hedging techniques when we feel appropriate.

Emerald's model portfolios may sometimes be used to manage Emerald's private or sub-advised accounts and are also provided to turnkey asset management platforms for other advisors' use. Models provided to turnkey asset management platforms may vary in composition from those models used with Emerald's private clients due to fund availability issues inherent in the platforms; however, the styles, themes and objectives are the same.

EAS Hybrid: Hybrid’s objective is to achieve real, absolute returns (i.e., positive net of inflation) over any three-year period, regardless of market conditions, and without resorting to the use of high-quality bond funds. Hybrid holdings typically come from 10 sub-sectors/styles in the alternative mutual fund universe (such as equity long-short, market-neutral, arbitrage, high-yield and bond hedge). Hybrid investing is similar to the approach employed by low volatility hedge fund-of-funds managers but without the unfavorable characteristics of hedge funds or the limited partnership structure (e.g., – lock-up periods; illiquidity; lack of transparency; excessive leverage; high fees; high investment minimums and tax inefficiency).

EAS Concentrated Equity: Concentrated Equity seeks to generate investment “alpha” (excess return versus stock market benchmarks) through the purchase of a carefully selected group of equity mutual funds, whose managers each confine their portfolios to a very limited number of holdings (typically under 30 stocks) and generate those returns using distinctly different methods. Dedicated short funds may be used as a portfolio hedge in perceived periods of high market risk.

EAS Global Cycle: Global Cycle is a long-term approach to growing capital. It involves the research and identification of global investment themes that may be in the midst of a long, positive business cycle (e.g., alternative energy, potable water, India equity, China equity, etc). Some of these themes may take place, in our opinion, over many years, even decades. Others may start and finish in periods as short as three years. This is a long-term strategy, and often involves investing in areas of the markets that exhibit high short-term volatility in their returns. Dedicated short funds may be used as a portfolio hedge in perceived periods of high market risk or as a way to capture alpha in a certain sector that we feel may be in decline.

The three disciplines can be pursued individually or blended together in various allocations to provide a set of complementary low correlation strategies, each managed with distinct risk/return characteristics and objectives.

Risk of Loss

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds) involves risk of loss. Further, depending on the different types of investments, there may be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Principal Risks

- *Market Risk* – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- *Equity (Stock) Market Risk* – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- *Company Risk* – When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- *ETF and Mutual Fund Risk* – When the client is invested in a an ETF or mutual fund, it will bear additional expenses based on its pro rata share of the ETFs 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.
- *Management Risk* – Your investment with Emerald varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produced the expected returns, the value of the investment will decrease.
- *Inverse Correlation Risk*: Underlying Funds that are inverse funds should lose value as the index or security tracked by such fund's benchmark increases in value; a result that is the opposite from traditional mutual funds. Successful use of inverse funds requires that the adviser correctly predict short term market movements. If the Fund invests in an inverse fund and markets rise, the Fund could loss money. Inverse funds may also employ leverage such that their returns are more than one times that of their benchmark.
- *ETF Tracking Risk*: Investment in the Fund should be made with the understanding that the ETFs in which the Fund invests will not be able to replicate exactly the performance of the indices they track because the total return generated by the securities will be reduced by transaction costs incurred in adjusting the actual balance of the securities. In addition, the ETFs in which the Fund invests will incur expenses not incurred by their applicable indices. Certain securities comprising

the indices tracked by the ETFs may, from time to time, temporarily be unavailable, which may further impede the ETFs' ability to track their applicable indices.

- *Foreign Investment Risk:* Foreign investing involves risks not typically associated with U.S. investments, including adverse fluctuations in foreign currency values, adverse political, social and economic developments, less liquidity, greater volatility, less developed or less efficient trading markets, political instability and differing auditing and legal standards. Investing in emerging markets imposes risks different from, or greater than, risks of investing in foreign developed countries.
- *Foreign Currency Risk:* Currency market risk results from the price movement of foreign currency values in response to shifting market supply and demand. Interest rate risk arises whenever a country changes its stated interest rate target associated with its currency. Country risk arises because virtually every country has interfered with international transactions in its currency. Interference has taken the form of regulation of the local exchange market, restrictions on foreign investment by residents or limits on inflows of investment funds from abroad. Restrictions on the exchange market or on international transactions are intended to affect the level or movement of the exchange rate. This risk could include the country issuing a new currency, effectively making the "old" currency worthless.
- *Interest Rate Risk:* Debt securities have varying levels of sensitivity to changes in interest rates. In general, the price of a debt security may fall when interest rates rise. Securities with longer maturities may be more sensitive to interest rate changes. Certain corporate bonds and mortgage-backed securities may be significantly affected by changes in interest rates. Some mortgage-backed securities may have a structure that makes their reaction to interest rates and other factors difficult to predict, making their value highly volatile. Because zero coupon securities do not make interest payments, they are considered more volatile than bonds making periodic payments. When interest rates rise, zero coupon securities fall more sharply than interest paying bonds. However, zero coupon securities rise more rapidly in value when interest rates drop.
- *Options (Derivatives Risk):* Even a small investment in options may give rise to leverage risk, and can have a significant impact on the accounts' performance. Derivatives are subject to credit risk and liquidity risk.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Emerald or the integrity of Emerald's management. Emerald has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Affiliation with Emerald Allocation Strategies, LLC

Emerald Asset Advisors, LLC ("Emerald") is affiliated with Emerald Allocation Strategies, LLC, (SEC File No. 801-68620) ("EAS") by virtue of common ownership (i.e., Running Rebel Consulting, LLC owns 76% of Emerald and 58% of EAS and DDIAWA Consulting, Inc. owns 24% of Emerald and 13% of EAS). EAS does not provide investment advisory services. Rather, EAS's exclusive function is to market the investment advisory services of Emerald. EAS markets Emerald's services exclusively to other registered investment advisers and entities exempt from investment adviser registration (together, the "Advisers"). EAS provides the Advisers with a copy of Emerald's written disclosure statement, as set forth on Part II of Form ADV. The advisers contract directly with Emerald. If an adviser engages Emerald's services, Emerald will share a portion of its fee with EAS. EAS and Emerald share commonality of ownership, management, employees, representatives, and offices. EAS's owners, members, managers, employees and representatives are subject to the Policies and Procedures of Emerald, including Emerald's Code of Ethics, a copy of which is available upon request. The Chief Compliance Officer of Emerald also serves as the Chief Compliance Officer of EAS. Emerald shares common investment personnel with EAS. EAS also markets Emerald's model portfolios to other advisers and third party investment platforms. These models or similar models are also employed by Emerald in the management of their direct clients' accounts.

Affiliation with Stoloff Investment Advisory Services, LLC

Emerald is affiliated with Stoloff Investment Advisory Services, LLC (SEC File. No. 801-68898) ("Stoloff"). Stoloff provides Emerald with market and securities research and is a member of Emerald's investment committee. Emerald pays Stoloff a fixed fee for the provision of these services. Stoloff also acts as a portfolio advisor to certain of Emerald's clients. When acting in this capacity, Stoloff may receive a portion of Emerald's investment management fee. Such fee shall be paid solely from Emerald's

investment management fee, and shall not result in any additional charge to the client. Stoloff's owners, members, managers, employees and representatives are subject to the Policies and Procedures of Emerald, including Emerald's Code of Ethics, a copy of which is available upon request.

Stoloff also manages discretionary private accounts that are not clients of Emerald. Stoloff receives confidential information about Emerald's trading and research by way of participation in Emerald's Investment Committee. It is possible that Stoloff could use this confidential information in his private advisory accounts to the detriment of Emerald's clients (i.e., front-running). This presents a potential conflict of interest. Emerald has taken action to mitigate this potential conflict by requiring Stoloff to provide its private clients' transaction history and holdings each quarter for comparison to Emerald's transactions and holdings.

Affiliation with the EAS Genesis and Global Cycle Funds

Emerald is the investment adviser to two registered investment companies: the EAS Genesis Fund and the EAS Global Cycle Fund (the "Funds"). By definition, the investment adviser of a registered investment company is an affiliate of the investment company. Emerald may, from time to time, recommend the purchase of shares of the Funds to private clients for whom the strategies are suitable. Where clients' funds are invested in the Funds, Emerald will not charge an advisory fee based on those assets, rather; Emerald will earn a fee on those assets through its position as investment adviser to the Funds. Since the annual fee (1.00% for the EAS Genesis Fund and 0.75% for the EAS Global Cycle Fund) of assets under management in the Funds may sometimes be higher than fees earned by Emerald for managing clients' private accounts, Emerald may have an interest in maximizing clients' investments in the Funds.

Interested Persons

Joshua Rudolph, formerly employed by Emerald, maintains a MML Investor Services branch office at the same location as Emerald and does business under the name of Emerald Planning Group. Joshua Rudolph and the various insurance companies with whom he does business, including Massachusetts Mutual Life Insurance Companies, and their broker-dealer MML Investors Services, have no relationship or affiliation with Emerald Asset Advisors. Any services that Mr. Rudolph provides are completely separate and distinct from Emerald Asset Advisors. From time to time, Emerald may recommend Mr. Rudolph's services to its clients. While as a fiduciary, Emerald endeavors to act in its clients' best interests, its recommendation of Mr. Rudolph may be influenced in part on his former relationship with Emerald and may not be solely based on the nature, quality or cost of his services. This may create a potential conflict of interest.

Item 11 – Code of Ethics

The purpose of the Emerald Code of Ethics is to govern the conduct of its personnel to ensure that as a fiduciary all actions taken are solely in the best interest of the client and to mitigate or eliminate potential conflicts of interest. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and personal securities trading procedures, among other things. All supervised persons at Emerald must acknowledge the terms of the Code of Ethics annually, or as amended.

While Emerald has full confidence in the integrity of all of its employees, it recognizes that certain of these persons have or may have knowledge of present or future client transactions and, in certain circumstances, the power to influence transactions made by or for clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Emerald will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of Emerald's clients. In addition, the Code requires pre-clearance of certain transactions. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Emerald and its clients.

Any employee who is considered to have violated the Code of Ethics is subject to disciplinary action which may result in termination. Any excessive or questionable trading may cause the employee to become subject to preclearance of all trades at the Chief Compliance Officer's discretion.

Emerald's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Donna Naitove at 954-385-9624 or dnaitove@emeraldasset.com.

Other Policies to Mitigate Conflicts between Affiliated Accounts and Clients

Aggregation of Trades

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Emerald's obligation of best execution. In such circumstances, the affiliated and client accounts will receive securities at a total average price and transaction costs will be assessed at the custodian's commission rate applicable to each account. The commission rate is predicated on the client's total household assets on deposit at the custodian. No preference will be given to employee accounts in the allocation process. Emerald will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions must be approved by Emerald's Chief Compliance Officer.

Principal and Agency Cross Trades

It is Emerald's policy that the firm *will not* effect any principal or agency cross securities transactions for client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

EAS Genesis and Global Cycle Funds – Purchases in Private Client Accounts

Emerald's policy is that any recommendation to our clients to purchase a mutual fund that we advise must be based on the client's goals and risk tolerance. However, when Emerald recommends that its clients invest in such funds, a potential material conflict of interest exists (i.e., we may sometimes earn a higher advisory fee from the fund on the client's assets than the client pays in his private account). Therefore, we may potentially base our recommendation on economic factors and not necessarily the client's best interest. Emerald will only recommend an advised mutual fund on a fully-disclosed basis. Therefore, clients must provide their affirmative consent prior to purchasing shares of a mutual fund advised by Emerald. Where clients' funds are invested in advised funds, Emerald will not charge an advisory fee based on those assets as we earn our fee directly from the fund.

Item 12 – Brokerage Practices

Selection Criteria for Brokers and Dealers:

Emerald has a fiduciary obligation to its clients to seek best execution. The SEC has described the best execution duty as requiring an adviser to “execute securities transactions for clients in such a manner that the clients’ total costs or proceeds in each transaction are most favorable under the circumstances.” This may be measured not only in terms of the price received and commission costs but also the full range of service provided by the broker including execution capability, financial responsibility and responsiveness to the advisor. Other qualitative measures used may include the broker’s trading expertise, research services, reputation, facilities, financial services offered, reliability in executing trades, record keeping, fairness in trade disputes and error policy, etc.

Trading, research services and other services noted above provided by broker-dealer firms are evaluated by Emerald’s portfolio advisors, compliance and trading personnel on at least an annual basis. The quality and quantity of research and trading services are evaluated and compared as well as the efficacy and efficiency of the trading department’s policies and procedures.

Recommended Broker-Dealer

Emerald recommends that clients custody their assets at Schwab Institutional Services. However, clients have the option to choose an alternative custodian if administratively feasible. A client may limit Emerald’s discretionary authority in executing securities transactions by directing Emerald to use a particular broker-dealer to execute portfolio transactions for his accounts (“Directed Brokerage”). When a client directs Emerald to use a particular broker-dealer, Emerald generally has not negotiated the terms and conditions (including, but not limited to, commission rates) of the broker-dealer’s services. Therefore, Emerald may not be able to freely negotiate commission rates or spreads, and the client may not obtain as favorable prices or commission rates as it might otherwise have obtained if Emerald had selected the broker-dealer. In addition, the client may receive execution prices and pay commission rates that differ from the execution prices received and commissions paid by clients that have given Emerald discretion to select broker-dealers (“Non-Directed Account”).

Schwab provides Emerald with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor’s clients’ assets is maintained at Schwab Institutional. These services are not contingent upon Emerald committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab’s brokerage services include access to mutual funds and other

investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For Emerald client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or settle into Schwab accounts.

Schwab Institutional also provides Emerald with research and brokerage products and services that benefit Emerald but may not benefit its clients' accounts. Some of these other products and services assist Emerald in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as confirmations and statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of Emerald's fees from its clients' accounts; and assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of Emerald's accounts, including accounts not maintained at Schwab Institutional.

Schwab Institutional also makes available to Emerald other services intended to help Emerald manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. Schwab may make available, arrange and/or pay for these types of services rendered to Emerald by independent third parties. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay the fees of a third-party providing these services to Emerald.

While as a fiduciary, Emerald endeavors to act in its clients' best interests, Emerald's recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefit to Emerald of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab. Emerald is independently owned and operated and not affiliated with Schwab.

Research and other Soft Dollar Benefits

Schwab Institutional pays third-parties to provide Emerald other products and services ("soft dollar benefits") that benefit Emerald but may not directly benefit its clients' accounts. Federal securities law provides a "safe harbor" which allows an investment adviser to pay more than the lowest available commission for brokerage and research services if it determines in good faith that the commission paid was reasonable in relation to the brokerage and research services provided.

Soft dollar benefits are given by brokers to money management firms in return for the money manager's client transaction business. Client transaction business generates commissions for brokers. The brokers agree to use a portion of the client commissions to pay for certain products and services that the money manager designates, such as research reports and other products that assist with investment decision making. Soft dollar benefits are not limited to clients whose transactions have generated the benefit although certain soft dollar allocations are connected to particular clients or groups of clients. As well, soft dollar benefits are not proportionally allocated to any accounts that may generate different amounts of the soft dollar benefits.

Emerald obtains the following types of products and services from third-parties through Soft Dollar arrangements with Charles Schwab:

- Investment analysis software that assists with calculation of performance and risk analytics, peer group analysis, style attribution, manager search, asset allocation and custom reporting, portfolio construction and optimization and Monte Carlo simulations.
- Software to facilitate trading and rebalancing of our client's securities portfolios as well as enhance investment decisions by providing tax-efficiency information, style drift reports and sample model portfolio construction and analysis.
- Research subscriptions that provide detailed reports recommending a specific stock, on a monthly basis.
- Programs that provide access to the largest investment databases in the industry, collecting data directly from primary sources and running it through extensive checks for accuracy. This program also allows access to the industry's best bond information.

When Emerald uses client brokerage commissions (or markups or markdowns) to obtain research or other products or services, we receive a benefit because we do not have to produce or pay for the research, products or services. Consequently, we may have an incentive to select or recommend a broker-dealer based on our interest in receiving the research or other products or services, rather than on our clients' interest in receiving most favorable execution.

Best Execution -- Registered Investment Companies

In connection with its best execution obligations to its registered investment company accounts, Emerald is prohibited from considering the promotion and sale of shares of a Fund when selecting a broker-dealer to effect portfolio securities transactions on behalf of the Fund. This prohibition is in accordance with the provisions of Rule 12b-1(h) of the 1940 Act.

Synopsis of Emerald's Trading Practices

Investment Allocation and Trade Aggregation

The overriding principle governing Emerald's allocation and aggregation process is the fair and equitable treatment of all clients in the allocation of investment opportunities and in the aggregation of client orders and resulting allocation of securities or transaction proceeds.

Emerald has various model strategies that are used in the management of its separate accounts. These model strategies are also provided through Emerald Allocation Strategies, LLC ("EAS"), an affiliated investment adviser to other advisors and third-party investment platforms for use with clients that are unrelated to Emerald's advisory practice. When communicating any models or model changes, Emerald will first notify its internal trading department to take action with respect to Emerald's own advised separate accounts. Emerald will then communicate its models and model changes to other Programs (such as turnkey asset management platforms) on a rotational basis.

The Emerald trading department prioritizes the release of trading orders with respect to its advised separate accounts as follows:

1. Discretionary accounts that have no restrictions that require manual trade adjustments (such as deviations from the model for cash requirements or that hold non-model securities, etc.);
2. Accounts with restrictions that require manual intervention to process trades;
3. Accounts with directed brokerage arrangements;
4. Non-discretionary accounts that require pre-approval of trades.

Due to the sequence of placing trades for accounts it is possible that accounts that are traded first may receive more favorable pricing than accounts that are traded last.

Emerald may aggregate orders for its advised accounts to reduce transaction costs and facilitate efficient execution of client orders in the same securities on the same day. In the event that a trade is partially completed, Emerald will allocate the executed portion of the transaction on a pro rata basis among participating accounts. The participating accounts will receive the average price and transaction costs will be assessed at the custodian's commission rate applicable to each account. The commission rate is predicated on the client's total household assets on deposit at the custodian. Emerald will document the allocation of its bunched orders and review them at least annually to ensure that all clients receive fair and equitable treatment. Written approval from the CCO is required for any departures from the stated allocation process. Deviations may occur for good cause and would include, but not be limited to: cash or liquidity limitations; client-specific investment objectives, policies, or restrictions; or inadequate number of shares to justify the processing expenses (e.g. a client would receive a de minimis allocation). Emerald currently does not participate in IPO's, however, should this change in the future, the above allocation and review process would apply.

Cross Transactions

A cross trade is a transaction between two accounts managed by the same investment adviser. Cross trades can be executed by an adviser either on a direct or indirect basis and can save brokerage commissions and related transactions costs. In a direct cross transaction, securities are transferred from the account of one client to that of another client. In an indirect cross trade, purchase and sale orders for the same securities are placed for execution through an unaffiliated broker-dealer, usually with no or minimal commission expense. The price for a cross transaction will be determined by an independent broker-dealer, and is usually the mid-point between the best bid and offer prices available for the size of the transaction.

It is Emerald's policy to engage in cross trade transactions only in accordance with its fiduciary duty to seek to receive the best available execution on behalf of its clients. All cross trades must receive the prior written approval of Emerald's Chief Compliance Officer.

Client Participation in Transactions

In general, investment decisions for each account or Fund are made independently from those of other accounts or Funds and are made with specific reference to the circumstances and objectives of each account or Fund. A particular account or Fund may or may not participate in any specific transaction, or may receive allocations of securities or investments that differ from that provided to other accounts and Funds, based on a number of factors including, but not limited to, the trade rotation policy, previous transactions, account restrictions, account size, tax status, risk tolerance, cash and liquidity. Although Emerald generally will seek to be consistent in its investment approach for all accounts with the same or substantially similar investment objectives, strategies and restrictions, the act of purchasing, selling or holding a security for one account does not mean it will be purchased, sold or held for another account. Emerald will transact for some accounts in securities already owned by other accounts. Due to differing market conditions and factors previously cited, Emerald may purchase (or sell) a security on behalf of some accounts that Emerald has sold (or purchased) on behalf of other accounts

Item 13 – Review of Accounts

Periodic Reviews

Client accounts are reviewed periodically for investment style adherence and performance related to benchmarks appropriate for the selected style. The analysis is performed by the Portfolio Manager in charge of the account. Typically, the Portfolio Manager meets with each client at least semi-annually to review asset allocation and portfolio rebalancing, review performance, provide information about investments, assess cash flow needs and more. The number of client relationships managed by each

Portfolio Manager depends on the size and complexity of the relationship, the time required to service the accounts and client preference.

Account reviews are performed by Scot Hunter, Chief Executive Officer; Allan Budelman, Managing Partner; Matthew MacEachern, Portfolio Manager; and Keith Stoloff, Sr. Portfolio Manager.

Triggers for More Frequent Reviews

Reviews for direct asset management clients are performed more frequently when market conditions dictate, when a client's financial situation or objectives change or at any time upon the client's request.

Regular Reports

Regular written reports are provided to Emerald's direct asset management clients based on the negotiated frequency of reviews. The report may consist of a statement of holdings, asset allocation analysis, portfolio performance information and graphs, tax-related information and other reports as needed. Reports are also available upon request. The account custodian provides account statements on a not less than quarterly basis and monthly if there is account activity.

Item 14 – Client Referrals and Other Compensation

Incoming Referrals

If a client is introduced to Emerald by either an unaffiliated or an affiliated solicitor, Emerald will pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from Emerald's investment management fee, and shall not result in any additional charge to the client. If the client is introduced to Emerald by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of the solicitor relationship, and shall provide each prospective client with a copy Emerald's written disclosure statement, Form ADV 2A. Concurrently, the Solicitor will also provide a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between Emerald and the solicitor, including the compensation to be received by the solicitor from Emerald.

Emerald has a solicitation agreement with its affiliated Registered Investment Advisor, Emerald Allocation Strategies, LLC ("EAS") wherein it will compensate EAS for business obtained through its marketing efforts to other advisers and broker dealers. EAS will receive all or a portion of Emerald's management fees from turn-key asset management programs where Emerald's models are used by other advisers in the management of their clients' assets, fees earned from any sub-advisory services

performed for clients of other advisers, and management fees Emerald earns from advising the EAS Genesis Fund and EAS Global Cycle Fund.

Emerald and EAS pay third party marketing firms a fee for providing various introductory services to other advisors and broker dealers pursuant to a solicitation agreement.

Outgoing Referrals

Unrelated third parties compensate Emerald for client referrals in accordance with Rule 206 (4)-3 under the Investment Adviser's Act of 1940. The compensation paid to Emerald will typically consist of a cash payment stated as a percentage of the third party's advisory fee. When Emerald solicits for third parties it will provide the prospective client with a copy of the third party's Form ADV 2A, together with the written disclosure statement disclosing the terms of the solicitation arrangement between the third party and Emerald, including the compensation to be paid by the third party to Emerald.

Should the unrelated third party place the referred client's assets in the Funds or use Emerald's investment models in the management of the client's accounts, the value of those assets will not be included when calculating Emerald's compensation. In such instances, Emerald will be compensated indirectly by the client, either through the Funds' management fees or through model provision fees earned on the client's account. Emerald may partly base its decision to refer prospective clients to other advisors based on the potential for compensation through the advisor's use of Emerald's Funds or its investment models. This may create a potential conflict of interest.

Receipt of 12b1 Fees from the Funds

Emerald receives a portion of the 12b1 fee that the Funds charge on their Class A shares (0.25% per annum) and their Class C shares (1.00% per annum). The 12b1 expense is a marketing fee levied on mutual fund shareholders to pay for advertising and distribution costs, as well as broker compensation. Emerald may use the 12b1 fee proceeds to pay for certain eligible marketing expenses for the Funds. The receipt of 12b1 fees presents a conflict of interest and gives Emerald and Emerald's supervised persons an incentive to recommend the Funds based on the receipt of 12b1 compensation rather than the client's needs.

Item 15 – Custody

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or

securities, the investment advisor is deemed to have custody and must ensure proper procedures are implemented.

Emerald is deemed to have custody of client funds and securities whenever Emerald is given the authority to have fees deducted directly from client accounts; however, this is the only form of custody Emerald will ever maintain. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody. Emerald is typically given authority to have fees directly deducted from a client's account when providing asset management services.

For accounts in which Emerald is deemed to have custody, Emerald has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. A client or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from Emerald. When clients have questions about their account statements, they should contact Emerald or the qualified custodian preparing the statement.

Item 16 – Investment Discretion

Emerald manages accounts on a discretionary basis under a limited power of attorney executed by the client which is contained in the advisory contract. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. Decisions relating to investment transactions with regard to a client's managed account are made at the discretion of the portfolio manager in charge of the account (i.e., Emerald will buy and sell securities in the account without communicating with the client prior to each buy and sell decision).

Under certain circumstances, Emerald may provide nondiscretionary services to a client. These services are accomplished by consulting with the client and making recommendations that the client effect certain transactions or portfolio allocation changes. The client may accept or reject the recommendations.

Emerald observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to Emerald in writing.

For registered investment companies, Emerald's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Item 17 – Voting Client Securities

Emerald Asset Advisors, LLC generally votes proxies for securities we have selected that are held in client accounts, unless the client directs us to the contrary. We have adopted written policies and procedures designed to reasonably ensure that we vote client securities in the best interest of clients.

How We Vote Proxies

For proxy voting purposes, the following guidelines should be followed:

1. Proxies will be voted in a timely manner.
2. Emerald will maintain records of each proxy vote, by client, and will adhere to the SEC's five-year record retention requirements governing proxy voting.
3. In order to satisfy its fiduciary duty by casting proxy votes consistent with the best interests of its clients, client interests will always take precedence over Emerald's interests.
 - Routine matters: it is the general policy of Emerald, absent a compelling reason to the contrary, to vote with management's recommendations.
 - Non-recurring extraordinary matters: generally, best practices for corporate governance and protection of shareholder's authority will be accepted. Generally value dilution and reduction of shareholders' power or interests will be rejected.

Client Proxy Voting Policies

If a client has a proxy-voting policy and instructs us to follow it, we will comply with that policy except when doing so would be contrary to the client's economic interest or otherwise imprudent or unlawful. As a fiduciary to ERISA plans, we are required to discharge our duties in accordance with the documents governing the plan (insofar as they are consistent with ERISA), including statements of proxy voting policy. We will, to the extent possible, comply with each client's proxy voting policy. If client policies conflict, we may vote proxies to reflect each policy in proportion to the respective client's interest in any pooled account (unless voting in such a manner would be imprudent or otherwise inconsistent with applicable law).

When We Do Not Vote Proxies

We generally do not vote proxies for securities we have not selected but that are held in a client account, or where we do not have discretionary authority over securities held in a client account.

Client Requests for Information

Clients may contact Emerald to obtain, free of charge, a copy of Emerald's proxy voting policy and/or information with respect to specific proxy votes. In response to any request, the firm's Chief Compliance Officer or her nominee will prepare a written response to the client with the information requested, and will include the name of the issuer, the proposal voted upon, and how Emerald voted the client's proxy with respect to each proposal.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about our financial condition. Emerald has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.



Form ADV, Part 2B Brochure Supplement

Supervised Persons

Scot Hunter, Allan Budelman, Matthew MacEachern, Keith Stoloff and G. Todd Silva

EMERALD ASSET ADVISORS, LLC

2843 Executive Park Drive • Weston FL 33331

954-385-9624 • www.EmeraldAssetAdvisors.com

December 31, 2010

This Brochure Supplement provides information about Scot Hunter, Allan Budelman, Matthew MacEachern, Keith Stoloff and G. Todd Silva that supplements the Emerald Asset Advisors, LLC Brochure. You should have received a copy of that Brochure. Please contact the firm's Chief Compliance Officer if you did not receive Emerald Asset Advisors, LLC's Brochure or if you have any questions about the contents of this supplement.

Additional information about Scot Hunter, Allan Budelman, Matthew MacEachern, Keith Stoloff, G. Todd Silva and Robert Isbitts is available on the SEC's website at www.adviserinfo.sec.gov.

Scot L. Hunter, ChFC[®], CEO and Portfolio Manager

Age, Educational Background and Business Experience

Scot L. Hunter, ChFC[®], the Chief Executive Officer of Emerald Asset Advisors LLC (“Emerald”), was born in 1960.

Mr. Hunter received his Bachelor of Science in Business Administration, from the University of Nevada, Las Vegas, Nevada in 1982.

Mr. Hunter was a founding member of Emerald in 1998 and has served as its Chief Executive Officer and a Portfolio Manager since January 2008. He served as a Director of Emerald from 1998 to 2007. Mr. Hunter has also served as a Managing Member of Emerald Allocation Strategies, LLC since December 2007. Mr. Hunter was an owner of Emerald Planning Group from 1988 to 2009 and served as a registered representative with MML Investor Services where he provided insurance related services.

Professional Designations

The Chartered Financial Counselorsm (ChFC[®]) designation is conferred by The American College. To earn the credential, each ChFC[®] candidate must take a proctored exam for 6 core and 2 elective courses, have three years of full-time business experience within the five years preceding the awarding of the designation, and also complete a minimum of 30 hours of continuing education every two years. More information regarding the ChFC[®] is available at <http://www.theamericancollege.edu/financial-planning/chfc-advanced-financial-planning>.

Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

Other Business Activities

Scot Hunter is an owner and Managing Member of Emerald’s affiliated registered investment advisory firm, Emerald Allocation Strategies (“EAS”). EAS’s exclusive function is to market Emerald’s products and services to other investment professionals.

Additional Compensation

Mr. Hunter’s compensation comes from his regular salary and ownership of Emerald and EAS.

Supervision

Donna Naitove, Emerald’s Chief Compliance Officer, and Allan Budelman, Managing Partner, are responsible for the supervision of Emerald’s Portfolio Managers and any advisory activities they conduct on behalf of the firm. They may be reached at 954-385-9624.

Specifically, Mrs. Naitove monitors Mr. Hunter’s incoming and outgoing correspondence with clients; reviews his clients’ suitability information, asset allocation, performance returns and trading activity; and reviews his documentation of client meetings and calls. Mr. Budelman monitors the advice provided by Mr. Hunter for consistency with client objectives and Emerald’s investment philosophy.

Allan M. Budelman, Managing Partner and Portfolio Manager

Age, Educational Background and Business Experience

Allan M. Budelman, Emerald's Managing Partner and Portfolio Manager, was born in 1968.

He received his Bachelor of Science in Economics from the University of Maryland, College Park, Maryland in 1992. He achieved an MBA in International Business from the University of Miami, Coral Gables, Florida in 2000.

Mr. Budelman has been employed as a Portfolio Adviser at Emerald from 2002 to present. He also serves on the firm's Investment Committee. He served as Emerald's Director of Operations from 1998 to 2002. He was made the Managing Partner of Emerald in 2007. Mr. Budelman was previously employed by JP Morgan from 1997-1998 as an Associate, Bankers Trust Company from 1996-1997 as an Assistant Treasurer, and Chase Manhattan Bank from 1994-1996 as an Administrator. Mr. Budelman has also served as a Managing Member of Emerald Allocation Strategies, LLC since December 2007.

Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

Other Business Activities

Allan Budelman is an owner and Managing Member of Emerald's affiliated registered investment advisory firm, Emerald Allocation Strategies ("EAS"). EAS's exclusive function is to market Emerald's products and services to other investment professionals.

Additional Compensation

Mr. Budelman's compensation comes from his regular salary and ownership of Emerald and EAS.

Supervision

Donna Naitove, Emerald's Chief Compliance Officer, is responsible for the supervision of Emerald's Portfolio Managers and any advisory activities they conduct on behalf of the firm. She may be reached at 954-385-9624.

Specifically, Ms. Naitove monitors Mr. Budelman's personal trading; incoming and outgoing correspondence with clients; reviews his clients' suitability information, asset allocation, performance returns and trading activity; and reviews his documentation of client meetings and calls.

Matthew MacEachern, Portfolio Manager

Age, Educational Background and Business Experience

Matthew MacEachern, a Portfolio Manager at Emerald, was born in 1973.

Mr. MacEachern attended Suffolk University, Boston, Massachusetts where he studied International Finance.

Mr. MacEachern has been employed by Emerald as a Portfolio Advisor from 2004 to present. He also serves on the firm's Investment Committee. He was previously employed by Fidelity Investments from 1998-2004 as a Senior Financial Planning Consultant, Leerink Swann & Co. as an Account Executive from 1995-1998, and Fechtor, Detwiler & Co. as a Financial Representative from 1992-1995.

Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

Other Business Activities

None

Additional Compensation

In addition to his regular salary, Mr. MacEachern is paid a bonus based new assets he raises for the firm.

Supervision

Donna Naitove, Emerald's Chief Compliance Officer, and Allan Budelman, Managing Partner, are responsible for the supervision of Emerald's Portfolio Managers and any advisory activities they conduct on behalf of the firm. They may be reached at 954-385-9624.

Specifically, Mrs. Naitove monitors Mr. MacEachern's incoming and outgoing correspondence with clients; reviews his clients' suitability information, asset allocation, performance returns and trading activity; and reviews his documentation of client meetings and calls. Mr. Budelman monitors the advice provided by Mr. MacEachern for consistency with client objectives and Emerald's investment philosophy.

Keith Stoloff, Senior Portfolio Manager, CIMA[®], CIMC, AWMA, AAMS, CMFC, CRPC

Age, Educational Background and Business Experience

Keith Stoloff, a Senior Portfolio Manager and Research Analyst at Emerald, was born in 1964.

Mr. Stoloff received his Bachelor of Science in Finance from the University of South Florida, Tampa, Florida in 1987.

Mr. Stoloff joined Emerald in 2007 and serves as a Senior Portfolio Manager and Research Analyst. He is a member of the firm's Investment Committee. Mr. Stoloff has also owned and operated Stoloff Investment Advisor Services since 2006 and provides investment advisory services on its behalf. Prior to forming his own investment advisory business, he held numerous portfolio management and financial consulting roles at several institutions including Raymond James Associates from 2003 to 2006.

Designations

CIMA[®] - Certified Investment Management AnalystSM

This designation is offered and administered through The Investment Management Consultants AssociationSM based in Denver Colorado. The CIMA[®] certification signifies that an individual has met initial and on-going experience, ethical, education, and examination requirements for investment management consulting, including advanced investment management theory and application. Prerequisites for the CIMA certification are three years of financial services experience and an acceptable regulatory history. To obtain the CIMA certification, candidates must pass an online Qualification Examination, successfully complete a one-week classroom education program provided by a Registered Education Provider at an AACSB accredited university business school, and pass an online Certification Examination. CIMA designees are required to adhere to IMCA's Code of Professional Responsibility, Standards of Practice, and Rules and Guidelines for Use of the Marks. CIMA designees must report 40 hours of continuing education credits, including two ethics hours, every two years to maintain the certification. More information regarding the CIMA[®] is available at http://www.imca.org/main/do/CIMA_Home.

CIMC - Certified Investment Management ConsultantSM

This designation was offered and is currently administered through The Investment Management Consultants AssociationSM (IMCA[®]) based in Denver Colorado. As of December 2003, new CIMC[®] certifications are no longer granted. When the designation was issued, its content focused on investment consulting. Current CIMC designees can maintain the designation through IMCA. CIMC designees are required to adhere to IMCA's Code of Professional Responsibility, Standards of Practice, and Rules and Guidelines for Use of the Marks. CIMC designees must report 40 hours of continuing education credits, including two ethics hours, every two years to maintain the designation. More information regarding the CIMC is available at <http://www.imca.org/main/do/Designations>.

AWMA[®] - Accredited Wealth Management AdvisorSM

This designation is offered by the College of Financial Planning. Individuals who hold the AWMA[®] designation have completed a course of study and passed a final exam encompassing wealth strategies, equity-based compensation plans, tax reduction alternatives, and asset protection alternatives. The program is designed for approximately 120-150 hours of self-study. The program is self-paced and must be completed within one year from enrollment. Continued use of the AWMA designation is subject to ongoing renewal requirements. Every two years individuals must renew their right to

continue using the AWMA designation by completing 16 hours of continuing education and reaffirming to abide by the Standards of Professional Conduct. More information regarding the AWMA is available at <http://www.cffp.edu>.

AAMS[®] - Accredited Asset Management SpecialistSM

This designation is offered by the College of Financial Planning. Individuals who hold the AAMS[®] designation have completed a course of study and passed a final exam encompassing investments, insurance, tax, retirement, and estate planning issues. The program is designed for approximately 120-150 hours of self-study. The program is self-paced and must be completed within one year from enrollment. Continued use of the AAMS designation is subject to ongoing renewal requirements. Every two years individuals must renew their right to continue using the AAMS designation by completing 16 hours of continuing education and reaffirming to abide by the Standards of Professional Conduct. More information regarding the AAMS is available at <http://www.cffp.edu>.

CMFC[®] - Chartered Mutual Fund CounselorSM

This designation is offered by the College of Financial Planning. Individuals who hold the CMFC[®] designation have completed a course of study and passed a final exam encompassing all aspects of mutual funds and their uses as investment vehicles. The program is designed for approximately 120-150 hours of self-study. The program is self-paced and must be completed within one year from enrollment. Continued use of the CMFC designation is subject to ongoing renewal requirements. Every two years individuals must renew their right to continue using the CMFC designation by completing 16 hours of continuing education and reaffirming to abide by the Standards of Professional Conduct. More information regarding the CMFC is available at <http://www.cffp.edu>.

CRPC[®] - Chartered Retirement Plan CounselorSM

This designation is offered by the College of Financial Planning. Individuals who hold the CRPC[®] designation have completed a course of study and passed a final exam encompassing pre-and post-retirement needs, asset management, estate planning and the entire retirement planning process using models and techniques from real client situations. The program is designed for approximately 120-150 hours of self-study. The program is self-paced and must be completed within one year from enrollment. Every two years individuals must renew their right to continue using the CRPC designation by completing 16 hours of continuing education and reaffirming to abide by the Standards of Professional Conduct. More information regarding the CRPC is available at <http://www.cffp.edu>.

Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

Other Business Activities

Mr. Stoloff has owned and operated Stoloff Investment Advisory Services, LLC ("SIAS"), a registered investment adviser regulated by the SEC, since 2006.

As a member of Emerald's Investment Committee, Mr. Stoloff is often privy to the firm's proprietary trading information. This presents a potential conflict of interest as he might use this information to benefit SIAS clients to the detriment of Emerald's clients (i.e., front running Emerald's trades). To mitigate this conflict, Emerald's Code of Ethics requires Mr. Stoloff to provide information about all discretionary client trades and holdings at SIAS on a quarterly basis. SIAS redacts client names to preserve client confidentiality.

Additional Compensation

None

Supervision

Donna Naitove, Emerald's Chief Compliance Officer, and Allan Budelman, Managing Partner, are responsible for the supervision of Emerald's Portfolio Managers and any advisory activities they conduct on behalf of the firm. They may be reached at 954-385-9624.

Specifically, Mrs. Naitove monitors Mr. Stoloff's incoming and outgoing correspondence with clients; reviews his clients' suitability information, asset allocation, performance returns and trading activity; and reviews his documentation of client meetings and calls. Mr. Budelman monitors the advice provided by Mr. Stoloff for consistency with client objectives and Emerald's investment philosophy.

G. Todd Silva, Senior Portfolio Manager

Age, Educational Background and Business Experience

G. Todd Silva, who serves as a consultant to Emerald and Senior Portfolio Manager, was born in 1964.

Mr. Silva received his BS in Economics and Finance from Lehigh University in 1987 and his MBA from Columbia Business School in 1992, where he later served as a guest lecturer and adjunct professor of finance.

He began working with Emerald in 2010 as a consultant and Senior Portfolio Manager. He also serves on the firm's Investment Committee. Mr. Silva worked in the hedge fund industry starting in 2000 when he co-founded Candlewood Capital Management and co-managed the Candlewood Funds, long-short equity funds with peak assets of \$1 billion. He later served as a Portfolio Manager for Rathpeacon Management, LLC from 2006 to 2007 and as a Managing Director of Crystal Capital Management, LLC in 2009. More recently, Mr. Silva has consulted for private companies and for the Office of the State Attorney (Florida) Economic Crime Unit.

Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

Other Business Activities

Mr. Silva is an owner of Centis Advisory, LLC. He provides consulting services including financial and enterprise analysis to various types of businesses. Mr. Silva's activities on behalf of Centis are not investment related and require approximately 15 hours a week of his time.

Additional Compensation

None

Supervision

Donna Naitove, Emerald's Chief Compliance Officer, and Allan Budelman, Managing Partner, are responsible for the supervision of Emerald's Portfolio Managers and any advisory activities they conduct on behalf of the firm. They may be reached at 954-385-9624.

Specifically, Mrs. Naitove monitors Mr. Silva's incoming and outgoing correspondence with clients, portfolio asset allocations, performance returns and trading activity. Mr. Budelman monitors the advice provided by Mr. Silva for consistency with client objectives and Emerald's investment philosophy.