

SEC Form ADV – Part II

Form ADV
Part II - Page 1

Uniform Application for Investment Adviser Registration

Date:
2/10/2010

| | | | | | | |
|---|---------------------|------------|---------|------------|------------|-------------------|
| Name of Investment Adviser: Marshalla Asset Management, LLC | | | | | | |
| Address: | (Number and Street) | (City) | (State) | (Zip Code) | Area Code: | Telephone Number: |
| | 95 Main Street | Los Altos, | CA | 94022 | (650) | 949-5692 |

This part of Form ADV gives information about the investment adviser and its business for the use of clients.
The information has not been approved or verified by any governmental authority.

Table of Contents

| <u>Item Number</u> | <u>Item</u> | <u>Page</u> |
|--------------------|---|-------------|
| 1 | Advisory Services and Fees | 2 |
| 2 | Types of Clients | 2 |
| 3 | Types of Investments | 3 |
| 4 | Methods of Analysis, Sources of Information and Investment Strategies | 3 |
| 5 | Education and Business Standards | 4 |
| 6 | Education and Business Background | 4 |
| 7 | Other Business Activities | 4 |
| 8 | Other Financial Industry Activities or Affiliations | 4 |
| 9 | Participation or Interest in Client Transactions | 5 |
| 10 | Conditions for Managing Accounts | 5 |
| 11 | Review of Accounts | 5 |
| 12 | Investment or Brokerage Discretion | 6 |
| 13 | Additional Compensation | 6 |
| 14 | Balance Sheet | 6 |
| | Continuation Sheet | Schedule F |
| | Balance Sheet, if required | Schedule G |

(Schedules A, B, C, D, and E are included with Part 1 of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

1. A. Advisory Services and Fees (check the applicable boxes) For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)
- Applicant:
- | | | |
|-------------------------------------|---|-------------|
| <input checked="" type="checkbox"/> | (1) Provides investment supervisory Services..... | <u>75</u> % |
| <input type="checkbox"/> | (2) Manages investment advisory accounts not involving investment supervisory services | _____ % |
| <input checked="" type="checkbox"/> | (3) Furnishes investment advice through consultations not included in either service described above | <u>5</u> % |
| <input type="checkbox"/> | (4) Issues periodicals about securities by subscription..... | _____ % |
| <input type="checkbox"/> | (5) Issues special reports about securities not included in any service described above | _____ % |
| <input type="checkbox"/> | (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities | _____ % |
| <input checked="" type="checkbox"/> | (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities | <u>20</u> % |
| <input type="checkbox"/> | (8) Provides a timing service..... | _____ % |
| <input type="checkbox"/> | (9) Furnishes advice about securities in any manner not described above | _____ % |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

- B. Does Applicant call any of the services it checked above financial planning or some similar term?
- | | |
|-------------------------------------|--------------------------|
| Yes | No |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> |

C. Applicant offers investment advisory services for: (check all that apply)

- | | |
|---|--|
| <input checked="" type="checkbox"/> (1) A percentage of assets under management | <input type="checkbox"/> (4) Subscription fees |
| <input type="checkbox"/> (2) Hourly charges | <input type="checkbox"/> (5) Commissions |
| <input type="checkbox"/> (3) Fixed fees (not including subscription fees) | <input type="checkbox"/> (6) Other |

- D. For each checked box in A above, described on Schedule F:
- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
 - application's basic fee schedule, how fees are charged and whether its fees are negotiable
 - when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. **Type of Clients** - Applicant generally provides investment advice to: (check those that apply)

- | | |
|--|---|
| <input checked="" type="checkbox"/> A. Individuals | <input type="checkbox"/> E. Trusts, estates, or charitable organizations |
| <input type="checkbox"/> B. Banks or thrift institutions | <input type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input type="checkbox"/> C. Investment companies | <input type="checkbox"/> G. Other (describe on Schedule F) |
| <input type="checkbox"/> D. Pension and profit sharing plans | |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

3.. Types of Investments. Application offers advice on the following: (check those that apply)

- | | |
|---|--|
| <input checked="" type="checkbox"/> A. Equity Securities | <input checked="" type="checkbox"/> H. United States government securities |
| <input checked="" type="checkbox"/> (1) exchange-listed securities | |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter | <input type="checkbox"/> I. Options contracts on: |
| <input checked="" type="checkbox"/> (3) foreign issuers | <input checked="" type="checkbox"/> (1) securities |
| <input type="checkbox"/> B. Warrants | <input type="checkbox"/> (2) commodities |
| <input checked="" type="checkbox"/> C. Corporate debt securities (other than commercial paper) | <input type="checkbox"/> J. Futures contracts on: |
| <input type="checkbox"/> D. Commercial paper | <input type="checkbox"/> (1) tangibles |
| <input checked="" type="checkbox"/> E. Certificates of deposit | <input type="checkbox"/> (2) intangibles |
| <input checked="" type="checkbox"/> F. Municipal securities | <input type="checkbox"/> K. Interests in partnerships investing in: |
| <input type="checkbox"/> G. Investment company securities: | <input checked="" type="checkbox"/> (1) real estate |
| <input checked="" type="checkbox"/> (1) variable life insurance | <input type="checkbox"/> (2) oil and gas interests |
| <input checked="" type="checkbox"/> (2) variable annuities | <input type="checkbox"/> (3) other (explain on Schedule F) |
| <input checked="" type="checkbox"/> (3) mutual fund shares | <input type="checkbox"/> L. Other (explain on Schedule F) |

4. Methods of Analysis, Sources of Information, and Investment Strategies.

A. Applicant's security analysis methods include: (check those that apply)

- | | |
|---|--|
| (1) <input type="checkbox"/> Charting | (4) <input type="checkbox"/> Cyclical |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical | |

B. The main sources of information applicant uses include: (check those that apply)

- | | |
|---|--|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines | (5) <input type="checkbox"/> Timing services |
| (2) <input type="checkbox"/> Inspections of corporate activities | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input checked="" type="checkbox"/> Company press releases |
| (4) <input checked="" type="checkbox"/> Corporate rating services | (8) <input checked="" type="checkbox"/> Other (explain on Schedule F) |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- | | |
|--|---|
| (1) <input checked="" type="checkbox"/> Long term purchases (securities held at least a year) | (5) <input checked="" type="checkbox"/> Margin transactions |
| (2) <input checked="" type="checkbox"/> Short term purchases (securities sold within a year) | (6) <input checked="" type="checkbox"/> Option writing, including covered options, uncovered options or spreading strategies |
| (3) <input type="checkbox"/> Trading (securities sold within 30 days) | (7) <input type="checkbox"/> Other (explain on Schedule F) |
| (4) <input type="checkbox"/> Short sales | |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

5. Education and Business Standards.

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? Yes No

(If yes, describe these standards on Schedule F.)

6. Education and Business Background.

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- name • formal education after high school
- year of birth • business background for the preceding five years

7. Other Business Activities. (check those that apply)

- A. Applicant is actively engaged in a business other than giving investment advice.
- B. Applicant sells products or services other than investment advice to clients.
- C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.
(For each checked box describe the other activities, including the time spend on them, on Schedule F.)

8. Other Financial Industry Activities or Affiliations. (check those that apply)

- A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:

| | |
|--|--|
| <input type="checkbox"/> (1) broker-dealer | <input type="checkbox"/> (7) accounting firm |
| <input type="checkbox"/> (2) investment company | <input type="checkbox"/> (8) law firm |
| <input type="checkbox"/> (3) other investment adviser | <input type="checkbox"/> (9) insurance company or agency |
| <input type="checkbox"/> (4) financial planning firm | <input type="checkbox"/> (10) pension consultant |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer |
| <input type="checkbox"/> (6) banking or thrift institution | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest? Yes No

(If yes, describe on Schedule F the partnerships and what they invest in.)

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

9. Participation or Interest in Client Transactions.

Applicant or a related person: (check those that apply)

- A. As principal, buys securities for itself from or sells securities it owns to any client.
- B. As broker or agent effects securities transactions for compensation for any client.
- C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or brought from a brokerage customer
- D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

10. Conditions for Managing Accounts. Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account?.....
- Yes No

(If yes, describe on Schedule F.)

11. Review of Accounts. If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. For reviews, include their frequency, different levels, and triggering factors. For reviewers, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

The underlying securities in Client accounts are continuously monitored. A comprehensive portfolio review, in which the full portfolio is evaluated in light of latest asset allocation targets, preferred investment selections and tax and liquidity considerations, is performed at least twice per year for each Client, and/or at any time there are substantive changes in any of the review factors listed above. In addition, portfolio reviews may be initiated at any time there is a material change in the Client's goals, resources, lifestyle, spending plans, risk tolerance or risk capacity. Portfolio reviews are conducted by a Managing Director of the firm. (Currently, Robert Marshalla is the only Managing Director.)

- B. Describe below the nature and frequency of regular reports to clients on their accounts.

Marshalla Asset Management provides Clients with quarterly reports showing the values of each investment position and of the overall portfolio, performance summaries and the calculation basis of fees. In addition, portfolio statements will be sent to any Client on demand at any time. The custodian of the Client's accounts sends monthly account statements to the Client showing investment positions and any transactions made during the previous month, as well as trade confirmations upon execution of trades.

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

12. Investment or Brokerage Discretion.

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- | | | |
|--|--|--------------------------------|
| (1) securities to be bought or sold? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (2) amount of the securities to be bought or sold? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (3) broker or dealer to be used?..... | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (4) commission rates paid?..... | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |

B. Does applicant or a related person suggest brokers to clients?.....

Yes
 No

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

13. Additional Compensation.

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- | | | |
|--|---------------------------------|---|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients?..... | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals?..... | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |

(For each yes, describe the arrangements on Schedule F.)

14. Balance Sheet. Applicant must provide a balance sheet for the most recent fiscal year or schedule G if applicant:

- has custody of client funds or securities: or
- requires prepayment of more than \$500 in fees per client and 6 or more months in advance

Has applicant provided a Schedule G balance sheet?..... Yes No

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II

| | | |
|---|--|---------------------------|
| Applicant: Marshalla Asset Management, LLC | SEC File Number: 801 - 61538 | Date: 2/10/2010 |
|---|--|---------------------------|

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

| | |
|---|------------------------------|
| 1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Marshalla Asset Management, LLC | IRS Empl. Ident. No.: |
|---|------------------------------|

| Item of Form (Identify) | Answer |
|----------------------------|--|
| Item 1.D | <p>Describe the advisory services provided as checked in Item 1A and the fees assessed for them.</p> <p>➤ <u>Service (1) - Investment Supervisory Services</u></p> <p>Marshalla Asset Management, LLC (hereafter "MAM") provides its Clients with investment advisory services, defined as giving continuous advice to a Client or making investments for a Client based on the Client's individual needs. Based on personal discussions and data gathering, the Client's goals, stage in life, financial resources, tax situation, and capacity and tolerance for risk are evaluated. This information is used to develop a personal investment policy for the Client, and to develop and manage the Client's investment portfolio based on that policy.</p> <p>Portfolio construction is based first on asset allocation, and second on selection of investment vehicles to fulfill the asset allocation. Investment selections consist primarily of mutual funds (including ETF's and closed end funds), and individual stocks and bonds. Other investment vehicles may be used, including annuities, CD's, hedge funds, listed options and separate account managers, although the business is currently based primarily on mutual funds and individual stocks and bonds.</p> <p>MAM provides Clients with reports, no less than quarterly, showing portfolio value and contents and investment performance. MAM also provides Clients, on a regular quarterly basis, plus an occasional basis, with commentary and educational materials about markets, investments and investment theory and practice.</p> <p>➤ <u>Services (3) and (7) - Advice to clients in addition to investment advisory services, including advice on matters not involving securities</u></p> <p>Depending on the needs and interests of the Client, MAM may provide advice in the form of a Financial Plan. The Financial Plan will assess the likelihood of the Client achieving various goals and objectives dependent on various personal and financial choices, including portfolio design, lifestyle, work and retirement plans, pursuit of charitable and/or family goals and normal savings and consumption behavior. Depending on Client needs, the Plan may also address elements of estate planning and insurance, including life, disability, health and long term care insurance.</p> <p>Depending on the complexity and depth of interest or need, MAM may suggest the Client also consult with other professionals unrelated to MAM, including estate attorneys, tax accountants and insurance agents. MAM receives no compensation from any such referrals.</p> <p>In addition to providing formal Investment Management and Financial Planning, MAM provides ongoing financial advice on the range of related issues. Such advice is based on questions initiated by the Clients. Examples of such issues have included advice about mortgage refinancing, short term financing, college savings plans, retirement plans and estate planning issues.</p> |

Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II

| | | |
|---|---|---------------------------|
| Applicant: Marshalla Asset Management, LLC | SEC File Number: 801- 61538 | Date: 2/10/2010 |
|---|---|---------------------------|

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

| | |
|---|------------------------------|
| 1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Marshalla Asset Management, LLC | IRS Empl. Ident. No.: |
|---|------------------------------|

| Item of Form (Identify) | Answer | | | | | | | | |
|----------------------------|---|-------------------------|------------|--------------------|--------------|----------------------------|--|------------------|--|
| 1.D (continued) | <p>➤ Fee Schedule</p> <p>Client and MAM will execute an Investment Advisory Services Agreement, which shall govern the fees paid to MAM and other terms of the relationship.</p> <p>Fees paid to MAM by the Client for the all of the services described above are charged as a percentage of assets under management (AUM), according to the schedule below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Assets Under Management</th> <th style="text-align: left;">Annual Fee</th> </tr> </thead> <tbody> <tr> <td>\$0 to \$1 million</td> <td>1.00% of AUM</td> </tr> <tr> <td>\$1 million to \$5 million</td> <td>1.00% of the first \$1M, plus 0.75% of assets between \$1M and \$5M</td> </tr> <tr> <td>Over \$5 million</td> <td>Charges as noted above for the first \$5M, plus 0.60% of assets over \$5M</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • The minimum level of assets under management for new clients is \$1,500,000 or the fees thereon. AUM limits were lower prior to Feb. 1, 2006; however pre-existing clients' eligibility to be clients or services offered were not altered by this change. • The fees and minimum asset levels above may be negotiable under non-standard conditions such as (but not limited to) restrictions in services provided and/or types of assets to be managed, or agreements not to trade certain assets for specified periods of time. • Fees are charged quarterly, in advance, at a rate of one quarter of the annual fee, with the amount based on assets under management (AUM) on the last day of the previous quarter. Clients will provide a written authorization permitting the management fee to be deducted from their account by the Custodian and paid to MAM. MAM will calculate the amount of the fee and provide the calculation and fee amount to the Custodian. The Custodian will then deduct the fee from the Client's account and remit the amount to MAM. At the time MAM directs the Custodian to deduct the fee, MAM will provide an invoice to the Client showing the amount of the fee and the calculation method. In addition, the Custodian will send the Client a monthly account statement showing any fee amounts deducted during the month. • Either party can terminate the Investment Advisory Services Agreement at any time by written notice to the other party, which shall be effective upon receipt by the other party. In such event, any prepaid fees will be returned to the Client for the period of time that services were not performed. • All fees paid to MAM for the services described above are separate and distinct from any fees and expenses charged by any mutual funds to their shareholders. These fees and expenses are described in each mutual fund's prospectus. Similarly, any commissions or other fees charged to the Client by the custodians are separate and distinct from the above described fees paid to MAM. MAM does not share in any of these fees, expenses or commissions charged the Client accounts by any mutual funds or Custodians, or any other third parties. • The fees charged to the Client by MAM are based on the calculations documented in the table above, and are not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory Client (SEC Rule 205(a)(1)). | Assets Under Management | Annual Fee | \$0 to \$1 million | 1.00% of AUM | \$1 million to \$5 million | 1.00% of the first \$1M, plus 0.75% of assets between \$1M and \$5M | Over \$5 million | Charges as noted above for the first \$5M, plus 0.60% of assets over \$5M |
| Assets Under Management | Annual Fee | | | | | | | | |
| \$0 to \$1 million | 1.00% of AUM | | | | | | | | |
| \$1 million to \$5 million | 1.00% of the first \$1M, plus 0.75% of assets between \$1M and \$5M | | | | | | | | |
| Over \$5 million | Charges as noted above for the first \$5M, plus 0.60% of assets over \$5M | | | | | | | | |
| | ➤ | | | | | | | | |

Schedule F – page 2

Complete amended pages in full, circle amended items and file with execution page (page 1.)

Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II

| | | |
|---|---|---------------------------|
| Applicant: Marshalla Asset Management, LLC | SEC File Number: 801- 61538 | Date: 2/10/2010 |
|---|---|---------------------------|

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

| | |
|---|------------------------------|
| 1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Marshalla Asset Management, LLC | IRS Empl. Ident. No.: |
|---|------------------------------|

| Item of Form (Identify) | Answer |
|----------------------------|---|
| Item 4.B (8) | <p>Methods of Analysis, Sources of Information and Investment Strategies – Other Sources of Information</p> <p>Other sources of information include various investment related <u>on-line data and analytical services</u>, such as Zacks, Morningstar, MSN and Advisor Intelligence and <u>print publications</u> from sources such as Value Line and Morningstar. In addition, extensive on-line research resources are made available by the custodians, TD Ameritrade and Charles Schwab. More in-depth sources include <u>books and professional journal articles</u> on investment theory and practice.</p> |
| Item 5 | <p>Education and Business Standards</p> <p>Currently Robert Marshalla is the only individual giving direct investment advice to Clients. Marshalla has experience giving investment advice to individuals as a personal Financial Advisor since 1999, plus 15 years experience managing and administering the Money Purchase Pension, Profit Sharing and ESOP plans for his former employer. He served as CFO for five years for a management consulting company with 130 employees. Educational credentials include an M.A. in Economics and a Ph. D. in Engineering Economic Systems from Stanford University. Marshalla has passed the Series 7 and Series 65 exams.</p> <p>Any future members or employees that may become involved in giving investment advice to Clients will be required to have substantial educational and/or business credentials. As a minimum, such an individual must have an advanced college degree in a field with relevance to finance or economics, plus practical experience in investment advisory or related fields, or must hold a CFA or CFP credential.</p> <p><u>Code of Ethics</u> – MAM maintains a written Code of Ethics that commits it to act with integrity, competence, dignity, and in an ethical manner when dealing with clients, the public, employers and employees. All employees must agree in writing to abide by the terms of this code. A copy of the MAM Code of Ethics will be provided to anyone upon request.</p> |
| Item 6 | <p>Education and Business Background</p> <p><u>ROBERT A. MARSHALLA</u> Date of Birth: January 10, 1950</p> <p>Education:</p> <p>B.S. in Electrical Engineering & Computer Science, University of Illinois, 1972 M.A. in Economics, Stanford University, 1978 Ph.D. in Engineering Economic Systems, Stanford University, 1978</p> <p>Employment:</p> <p>Principal, Vice President and CFO of Decision Focus, Inc. from 1/1978 to 5/1997 Principal and Vice President of Talus Solutions, Inc. from 5/1997 to 2/1999 Managing Director of Starmont Asset Management LLC from 9/1999 to 12/2001 Managing Director and Chief Investment Officer of Sutter Starmont Asset Management from 1/2002 to 10/2002</p> |

Schedule F – page 3

Complete amended pages in full, circle amended items and file with execution page (page 1.)

Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II

| | | |
|---|---|---------------------------|
| Applicant: Marshalla Asset Management, LLC | SEC File Number: 801- 61538 | Date: 2/10/2010 |
|---|---|---------------------------|

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

| | |
|---|------------------------------|
| 1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Marshalla Asset Management, LLC | IRS Empl. Ident. No.: |
|---|------------------------------|

| Item of Form (Identify) | Answer |
|----------------------------|--------|
|----------------------------|--------|

| | |
|-----------------|--|
| Item 9.E | <p>Participation Or Interest In Client Transactions:</p> <p>MAM's principals and/or its employees may have purchased, or intend to purchase for their or their families' accounts, consistent with their financial objectives, mutual funds or other securities that MAM may (or may not) recommend to its Clients. It is expected that these transactions will be much too small to affect the market prices of any such securities.</p> <p>It is the expressed policy of MAM that no member or person employed by MAM may purchase or sell any security prior to a transaction being implemented for an advisory account in such a way as to cause such individual to benefit from subsequent transactions placed on behalf of advisory accounts.</p> <p>As these situations represent a conflict of interest, MAM has established the following restrictions in order to ensure its fiduciary responsibilities:</p> <ol style="list-style-type: none"> 1) A member or employee of MAM shall not buy or sell securities for their personal portfolio where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No person of MAM shall prefer his or her own interest to that of the advisory Client. 2) MAM maintains a list of all securities holdings for anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer/individual of MAM. 3) MAM requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. 4) Any individual not in observance of the above may be subject to termination. |
| Item 10 | <p>Conditions for Managing Accounts</p> <p>MAM generally requires a minimum account of \$1,500,000 for Investment Supervisory Services Clients, although under certain circumstances this minimum may be negotiable.</p> <p>Please refer to Item 1.D of this Schedule F narrative for additional detail regarding fees and minimum asset thresholds.</p> |

Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II

| | | |
|---|---|---------------------------|
| Applicant: Marshalla Asset Management, LLC | SEC File Number: 801- 61538 | Date: 2/10/2010 |
|---|---|---------------------------|

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

| | |
|---|------------------------------|
| 1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Marshalla Asset Management, LLC | IRS Empl. Ident. No.: |
|---|------------------------------|

| Item of Form (Identify) | Answer |
|----------------------------|---|
| Item 12.B | <p>Investment or Brokerage Discretion</p> <p>MAM has discretionary authority to make the following determinations without obtaining the consent of its Clients before the transactions are effected:</p> <ul style="list-style-type: none"> (A) Which securities are bought or sold; (B) The total amount of securities to be bought or sold; (C) Through which broker, securities are to be bought or sold; and (D) The commission rates at which securities transactions for Client accounts are effected. <p>MAM's authority may be subject to conditions imposed by the Client, examples of which include:</p> <ul style="list-style-type: none"> (A) The Client restricts or prohibits transactions in a specific security or securities of a specific industry; (B) The Client directs the purchase of a security that would not have been recommended by MAM; (C) The Client directs that transactions be effected through specific broker-dealers. <p>When a Client directs the purchase of securities that MAM would not have otherwise recommended for its Client accounts, the Client accepts full responsibility for the purchase and all related impact that the security has on the Client account.</p> <p>Charles Schwab & Co., Inc. ("Schwab") or TD Ameritrade ("TDA") will generally serve as the Custodians for MAM Client accounts, unless MAM and the Client have mutually agreed upon another Custodian through a Limited Power of Attorney signed by the Client.</p> <p>MAM will generally use the brokerage discretion granted by Clients to place its Client trades through Schwab or TDA. When electing to use Schwab or TDA or another broker-dealer, MAM bases its decisions on a number of factors, including: a comparative analysis of the discounts offered, the competency of its back office support, including the provision of access to no-load, low-load and no-transaction fee mutual funds, and the accessibility of the technological links they can provide to acquire shares of mutual funds that would normally be available only to very large clients or pension plans. It is acknowledged that lower fees may be available from other broker-dealers.</p> <p>In addition, when placing trades through Schwab or TDA or another broker-dealer, MAM considers a number of other factors in conjunction with its best execution duties owed to Clients. MAM may allocate such transactions to such broker-dealers for execution on such markets, at such prices and at such commission rates as in the good faith judgment of MAM will be in the best interest of the Client. MAM takes into consideration that in selecting such broker-dealers, the available prices and rates of commissions are important, but are not the only factors. MAM considers other relevant factors such as, but not limited to, execution capabilities and research; custodial and other services provided by such broker-dealers that are expected to enhance the general portfolio management capabilities of MAM; the size of the transaction; the difficulty of execution; the operational facilities of the broker-dealer involved; the risk in positioning a block of securities; the quality of the overall brokerage and research services provided by the broker-dealer; and the value of and ongoing relationship of MAM with such broker-dealers. Research services received by MAM include such items as economic and market forecasts, investment strategy advice, fundamental advice on individual securities, valuation advice and market analysis.</p> |

Schedule F – page 5

Complete amended pages in full, circle amended items and file with execution page (page 1.)

Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II

| | | |
|---|---|---------------------------|
| Applicant: Marshalla Asset Management, LLC | SEC File Number: 801- 61538 | Date: 2/10/2010 |
|---|---|---------------------------|

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

| | |
|---|------------------------------|
| 1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Marshalla Asset Management, LLC | IRS Empl. Ident. No.: |
|---|------------------------------|

| Item of Form (Identify) | Answer |
|----------------------------|--|
| 12.B (continued) | In part because of the research services provided, MAM may pay a brokerage commission in excess of that which another broker-dealer may have charged for effecting the same transaction, if MAM determines in good faith that such amount is reasonable in light of services received. Research services received with respect to a specific Client account transaction may not be used specifically for that account, but will provide a service that will generally benefit all MAM Client accounts. |
| Item 13 | <p>Additional Compensation</p> <p>As indicated under the disclosure for Item 12.B, MAM utilizes the services of Charles Schwab and TD Ameritrade to help carry out its investment advisory services. While there is no direct linkage between the investment advice given to Clients and MAM's participation in the Schwab and TDA programs, economic benefits are received by MAM, which would not be received if MAM did not give investment advice to Clients. These benefits do not depend on the amount of transactions directed by MAM to Schwab or TDA (except in certain circumstances). These benefits include: dedicated trading desks that service participants exclusively, a dedicated institutional service group and institutional account services managers dedicated to MAM's accounts, access to real-time order matching systems, ability to 'block' Client trades, electronic download of trades, balances and positions, access, for a fee, to an electronic interface with Schwab's and TDA's software, duplicate and batched Client statements, confirmations and year-end summaries, the ability to have advisory fees directly debited from Client accounts (in accordance with federal and state requirements), availability of third-party research and technology, access to Schwab and TDA mutual funds, access to over 350 mutual fund families and 4,500 mutual funds NOT affiliated with Schwab or TDA. The benefits received through participation in the Schwab and TDA programs may or may not depend upon the amount of transactions or of assets custodied by Schwab or TDA.</p> |
| Other Information | <p>Proxy Votes</p> <p>MAM does not vote shareholder proxies on behalf of its clients. It is the responsibility of the client to vote such proxies if they wish to do so.</p> |

Schedule F – page 6

Complete amended pages in full, circle amended items and file with execution page (page 1.)

**Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II**

| | | |
|---|---|---------------------------|
| Applicant: Marshalla Asset Management, LLC | SEC File Number: 801- 61538 | Date: 2/10/2010 |
|---|---|---------------------------|

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:
Marshalla Asset Management, LLC

IRS Empl. Ident. No.:

| Item of Form (Identify) | Answer |
|------------------------------------|--|
| <p>Other Information</p> | <p>Notice Clients will receive reports from both the custodian of Clients’ securities and from Marshalla Asset Management (MAM). MAM urges Clients to compare both statements to insure accurate reporting. There may be variances between the reports because of the timing in posting of dividends or interest. In addition, certain assets may be managed by MAM but the assets may be held by the broker and/or custodian for retirement plans (e.g. 401(k), etc.); or employer securities (e.g. stock options). MAM requests that Clients contact MAM in the event that Clients see any discrepancies or have any questions.</p> <p>Trade Errors From time-to-time Marshalla Asset Management (MAM) may make an error in submitting a trade order on your behalf. When this occurs, MAM may place a correcting trade with the broker-dealer which has custody of your account. If an investment gain results from the correcting trade, the gain will remain in your account unless the same error involved other client account(s) that should have received the gain, it is not permissible for you to retain the gain, or we confer with you and you decide to forego the gain (e.g., due to tax reasons). If the gain does not remain in your account and Charles Schwab & Co. Inc. (“Schwab”) is the custodian, Schwab will donate the amount of any gain \$100 and over to charity. If a loss occurs greater than \$100, MAM will pay for the loss. Schwab will maintain the loss or gain (if such gain is not retained in your account) if it is under \$100 to minimize and offset its administrative time and expense. Generally, if related trade errors result in both gains and losses in your account, they may be netted.</p> |

