

# **Form ADV: Part II**

Uniform Application for Investment Advisor Registration

## **Contents**

This part of Form ADV gives information about the Investment Advisor and its business. The information has not been approved or verified by any government authority.

<b>Advisory Services and Fees</b>	<b>2</b>
<b>Types of Clients</b>	<b>2</b>
<b>Types of Investments</b>	<b>3</b>
<b>Methods of Analysis, Sources of Information and Investment Strategies</b>	<b>3</b>
<b>Education and Business Standards</b>	<b>4</b>
<b>Education and Business Background</b>	<b>4</b>
<b>Other Business Activities</b>	<b>4</b>
<b>Other Financial Industry Activities or Affiliations</b>	<b>4</b>
<b>Participation or Interest in Client Transactions</b>	<b>5</b>
<b>Conditions for Managing Accounts</b>	<b>5</b>
<b>Review of Accounts</b>	<b>5</b>
<b>Investment or Brokerage Discretion</b>	<b>6</b>
<b>Additional Compensation</b>	<b>6</b>
<b>Continuation Sheet</b>	<b>Schedule F</b>
<b>Balance Sheet</b>	<b>Schedule G</b>

**FORM ADV**  
**Uniform Application for Investment Adviser Registration**

**Part II - Page 1**

Name of Investment Adviser: <b>KRM Capital Management, Inc.</b>				
Address:	(Number and Street)	(City)	(State)	(Zip Code)
	11110 Big Canoe	Big Canoe	GA	30143
				Area Code: Telephone number: 706-579-2548

**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 I 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.**

**Definitions for Part II**

Related person - Any officer, director or partner of applicant or any person directly or indirectly controlling, controlled by, or under common control with the applicant, including any non-clerical, non-ministerial employee.

Investment Supervisory Services – Giving continuous investment advice to a client (or making investments for the client) based on the individual needs of the client. Individual needs include, for example, the nature of other client assets and the client's personal and family obligations.

**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 instructions below.)

Applicant:

<input checked="" type="checkbox"/>	(1) Provides investment supervisory services . . . . .	<b>100 %</b>
<input type="checkbox"/>	(2) Manages investment advisory accounts not involving investment supervisory services . . . . .	%
<input type="checkbox"/>	(3) Furnishes investment advice through consultations not included in either service described above . . . . .	%
<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 type="checkbox"/>	(7) On more than an occasional basis, furnishes advice to clients on matters not involving securities . . . . .	%
<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.) \* Percentage is an estimate

B. Does applicant call any of the services it checked above financial planning or some similar term? . . . . . Yes  No

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, describe 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
- applicant'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. Types of clients** - Applicant generally provides investment advice to: (check those that apply)

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> A. Individuals           | <input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations                    |
| <input type="checkbox"/> B. Banks or thrift institutions     | <input checked="" 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 |  |

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

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

**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 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 checked="" 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 type="checkbox"/> Corporate rating services                        | (8) <input 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 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  |   |

<b>FORM ADV</b>	Applicant	SEC File Number	Date
<b>Part II - Page 4</b>	<b>KRM Capital Management, Inc.</b>	<b>801-</b>	7/01/2004
<b>FORM ADV</b>	<b>Applicant</b>	<b>SEC File Number</b>	Date

**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 spent 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.

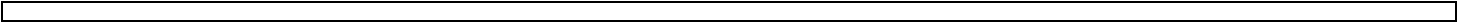
C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:

<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 advisor 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 in 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.)



Applicant  
**KRM Capital Management, Inc.**

SEC File Number  
**801-**

Date  
7/01/2004

**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 bought 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  
X

(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.

Reviews: All portfolios are monitored daily to ensure compliance with the long term investment strategy and the individual clients' goals. Absent of any special circumstances or client requests, portfolios are typically adjusted quarterly based on the specific criteria adopted for each particular portfolio investment style.

Reviewers: The principals of the firm act as portfolio managers and conduct the reviews of the portfolios. The principals review and adjust portfolios based on the clients' agreed upon investment style. The principals review and adjust the portfolios based on any additional specific client requests (e.g. capital gain or loss harvesting, socially responsible investing, etc.) All portfolios are monitored and adjusted by the principals.

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

From the Advisor, clients are furnished a written quarterly report detailing the securities in the account, the market value of all assets held in the account, a statement of the management fee with the calculations used to determine the fee, and a performance report. Custodians or brokerage firms provide monthly statements to the client detailing account activity and a market value of securities held. In addition clients are encouraged to contact the Advisor at any time to discuss their accounts

**12. Investment or Brokerage Discretion.**

- A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:
- |  |                                     |                          |
|--|-------------------------------------|--------------------------|
|  | Yes                                 | No                       |
| (1) securities to be bought or sold? .....               | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (2) amount of the securities to be bought or sold? ..... | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (3) broker or dealer to be used? .....                   | X                                   | No                       |
| (4) commission rates paid? .....                         | Yes                                 | No                       |
|  | X                                   |                          |

- 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 product 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                                 | No                                  |
|   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| B. directly or indirectly compensates any person for client referrals? .....  | Yes                                 | No                                  |
|   | <input type="checkbox"/>            | <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 on 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                                  |
|  | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

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

Applicant: <b>KRM Capital Management, Inc.</b>	SEC File Number: <b>801-</b>	Date: <b>07/01/2004</b>
---	---------------------------------	----------------------------

(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: <b>Ryan W. Moledor</b>		IRS Empl. Ident. No.: <b>75-3168409</b>
Item of Form (identify)	Answer	

Item 1 D	<p><b><u>Advisory Services and Fees:</u></b></p> <p>Services are negotiable depending upon specific facts and circumstances. In general, the fee schedule below applies to the aggregate assets covered under the investment advisory agreement with KRM Capital Management.</p> <p>The advisory fee charged by KRM Capital Management for individual stock portfolios is as follows:</p> <table border="0"> <thead> <tr> <th><u>Asset Value of the Account:</u></th> <th><u>Annual Fee</u></th> </tr> </thead> <tbody> <tr> <td>\$1 to \$500,000</td> <td>1.25%</td> </tr> <tr> <td>\$500,000 to \$1,000,000</td> <td>1.10%</td> </tr> <tr> <td>over \$1,000,000</td> <td>1.00%</td> </tr> </tbody> </table> <p>The advisory fee is billed quarterly on the appraised account value at the beginning of each quarter.</p> <p>Advisory fees are payable quarterly in arrears and are based on either the average daily balance in of the account or on the ending market value as of the end of the quarter. The advisory agreement may be terminated at any time by either party giving written notice to the other party. In such cases, management fees would be prorated to the date of termination.</p> <p>In certain unique circumstances, advisory fees are negotiable.</p> <p>The Advisor may also enter into arrangements with other registered investment advisors to provide portfolio management services under fee-sharing or wrap fee arrangements. In these situations, KRM Capital Management acts as the sub-advisor to another investment advisor and is compensated directly by the retaining advisor, not by the client. In such cases, the retaining advisor may have a fee schedule different than that listed above pursuant to its own contract with the client. In such cases, the fee schedule of the retaining advisor shall govern the relationship with the client. (the advisor's name) has a separate Master Agreement with each retaining advisor with whom it maintains a wrap fee arrangement which outlines (1) the division of labor between the firms (e.g. financial planning vs. portfolio management) (2) the relationship each party has toward the client and (3) the percentage fee split to each party.</p>	<u>Asset Value of the Account:</u>	<u>Annual Fee</u>	\$1 to \$500,000	1.25%	\$500,000 to \$1,000,000	1.10%	over \$1,000,000	1.00%
<u>Asset Value of the Account:</u>	<u>Annual Fee</u>								
\$1 to \$500,000	1.25%								
\$500,000 to \$1,000,000	1.10%								
over \$1,000,000	1.00%								
Item 3- L	<p><b><u>Types of Investments</u></b></p> <p>The Advisor manages portfolios using some or all of the following:</p> <ol style="list-style-type: none"> <li>1) Individual Stocks</li> <li>2) Exchange Traded Funds</li> <li>3) Mutual Funds</li> </ol> <p>With the clients' authorization, the advisor also may purchase securities on margin. When client assets are not invested in equity securities, the assets may be held temporarily in cash reserves money market accounts.</p>								
Item 4 A and 4C	<p><b><u>Methods of Analysis, Sources of Information and Investment Strategies</u></b></p> <p>The Advisor manages client portfolios using a variety of strategies. The advisor relies on data</p>								

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: <b>KRM Capital Management, Inc.</b>	SEC File Number: <b>801-</b>	Date: <b>07/01/2004</b>
---	---------------------------------	----------------------------

(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: <b>Ryan W. Moledor</b>	IRS Empl. Ident. No.: <b>75-3168409</b>
---	--

Item of Form (identify)	Answer
----------------------------	--------

Item 5	<p>provided via subscription service from an independent equity research firm to assemble individual stock portfolios. The research firm provides the advisor with weekly updates to its database. In addition, the advisor may rely on information provided directly from mutual fund companies with which it has a relationship.</p> <p><b>Strategies:</b></p> <p><u>Individual Stock Portfolios:</u></p> <p>The Large-Company Growth Strategy selects large-capitalization stocks with above-average long-term and short-term earnings and stock price trends. The goal of the strategy is to provide long-term capital growth.</p> <p>The Large-Company Value Strategy selects large-capitalization stocks with above-average dividend yields and projected dividend growth rates. The goal of the strategy is to provide a rising dividend stream while also participating in the long-term growth of equities.</p> <p>The Blue Chip Core Portfolio is an equal blend of the Large-Company Growth and Large-Company Value Strategies.</p> <p><u>Mutual Fund Portfolios:</u></p> <p>The Advisor may also replace or complement these strategies with equity and/or fixed-income mutual funds and/or exchange-traded funds (ETFs). All fees paid to the advisor for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee and other fund expenses. A client could invest in a mutual fund directly, without the services of the advisor. In that case, the client would not receive the services provided by the advisor which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and the fees charged by the advisor to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.</p> <p>Each client account is individually managed according to the investment style selected by the client. When trading multiple accounts, the Advisor may block trade orders to achieve better execution prices.</p> <p><b><u>Education and Business Standards:</u></b></p> <p>KRM Capital Management requires its advisers to be a college graduate and have a Series 65.</p>
--------	--

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

Applicant: <b>KRM Capital Management, Inc.</b>	SEC File Number: <b>801-</b>	Date: <b>07/01/2004</b>
---	---------------------------------	----------------------------

(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: <b>Ryan W. Moledor</b>		IRS Empl. Ident. No.: <b>75-3168409</b>
Item of Form (identify)	Answer	

Item 6	<p><b><u>Education and Business Background</u></b></p> <p><b>Ryan Moledor</b> <span style="float: right;"><b>Born 11/22/76</b></span>  <u>Education</u>          B.S.B.A, Corporate Finance, University of Akron , 1999          Registered Investment Advisor-Series 65</p> <p><u>Work History</u></p> <table> <tr> <td>KRM Capital Managemet</td> <td>Investment Advisor</td> <td>Present</td> </tr> <tr> <td>George M. Hiller Companies, LLC</td> <td>Investment Advisor</td> <td>08/99 – 07/04</td> </tr> </table>	KRM Capital Managemet	Investment Advisor	Present	George M. Hiller Companies, LLC	Investment Advisor	08/99 – 07/04
KRM Capital Managemet	Investment Advisor	Present					
George M. Hiller Companies, LLC	Investment Advisor	08/99 – 07/04					
Item 7 A	<p><b><u>Other Business Activites</u></b></p> <p>Real Estate agent part-time on the weekends</p>						
Item 9 E	<p><b><u>Participation or Interest in Client Transactions</u></b></p> <p>The Advisor's principals may buy or sell for themselves securities that are also recommended to clients. It is the policy of KRM Capital Management that no principal, employee, or any member of the firm shall benefit from personal investments at the expense of clients, nor take advantage of, or to "trade" on the knowledge he may have of the market impact of transactions carried out for clients. It is anticipated that the Advisor will invest in some of the same securities sought for clients. It is the policy of the Advisor to complete all client transactions before making any personal trades for its principals or employees or to submit personal trades as part of client block trades.</p>						
Item 10	<p><b><u>Conditions for Managing Accounts</u></b></p> <p>The minimum new client account value is currently \$100,000. The advisor reserves the right to raise or lower the minimum investment in certain situations.</p>						
Item 12 A	<p><b><u>Investment or Brokerage Discretion</u></b></p> <p>All client accounts are managed by KRM Capital Management on a discretionary basis. All clients sign a limited power of attorney giving the Advisor authority to purchase and sell securities for the account. The Advisor is subject to any limitations of this written authority. The Advisor has full discretion to determine, without obtaining specific client consent, the securities to be bought or sold and the amount of securities to be bought or sold. However, clients may place reasonable restrictions on particular securities that may or may not be purchased or sold in their accounts. The securities to be bought and sold for clients' accounts are limited to securities listed on the NYSE, AMEX, or trading over the counter on the NASDAQ National Market.</p>						
Item 12 B	<p>KRM Capital Management may suggest brokers for clients based upon execution capability, reasonableness of commissions and responsiveness. Commissions charged by the broker are separate</p>						

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: <b>KRM Capital Management, Inc.</b>	SEC File Number: <b>801-</b>	Date: <b>07/01/2004</b>
---	---------------------------------	----------------------------

(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: <b>Ryan W. Moledor</b>	IRS Empl. Ident. No.: <b>75-3168409</b>
---	--

Item of Form (identify)	Answer
----------------------------	--------

Item 13 A	<p>from the fees charged by the Advisor. The Advisor receives no cash benefit in exchange for using any broker. All client accounts benefit equally from the services provided by the broker (e.g. trading platform, internet access to accounts, portfolio data downloads, etc.).</p> <p>Clients may direct the advisor to use a specific broker. However, the advisor may refuse to accept an account at a broker we deem unsuitable for the firm's investment approach. KRM Capital Management typically recommends TD Waterhouse Institutional Services (A Division of TD Waterhouse Investor Services, Inc. Member NYSE/SIPC) as the broker for its clients accounts.</p> <p>TD Waterhouse Institutional Services (A Division of TD Waterhouse Investor Services, Inc. Member NYSE/SIPC) provides the advisor and its clients with the following services:</p> <ul style="list-style-type: none"> <li>(1) Portfolio data downloads</li> <li>(2) The ability to automatically debit fees</li> <li>(3) Internet based trading platform</li> <li>(4) Internet access to accounts for both advisor and clients</li> <li>(5) Links to research and investment websites</li> </ul>
Other	<p><b>KRM Capital Management does not vote proxies.</b></p>

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

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