



Safe Harbor Investing LLC

Confidential Private Placement Memorandum



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Safe Harbor Investing LLC

A Florida Limited Liability Company

Minimum Purchase Amount per Investor: \$100,000.00
For "Accredited Investors" only.

Safe Harbor Investing LLC ("COMPANY" or "the COMPANY") is a Limited Liability Company formed with the objective to buy, hold and sell securities selected by the manager. See "**COMPANY ACTIVITIES.**" There can be no assurance that the Company's objective will be achieved, and therefore an investment in the COMPANY involves a significant degree of financial risk and should not be undertaken by anyone who cannot bear the economic risk of the investment for an extended period of time or who cannot afford to lose a substantial portion of their investment.

Private Placement Memorandum Number: _____

Name of Offeree: _____

Date Delivered: _____

THE DELIVERY OF THIS MEMORANDUM SHALL NOT CONSTITUTE AN OFFER OR SOLICITATION TO ANY PERSON IN ANY JURISDICTION IN WHICH SUCH AN OFFER OR SOLICITATION IS UNLAWFUL, AND SHALL CONSTITUTE AN OFFER ONLY TO THE OFFEREE WHOSE NAME APPEARS IN THE SPACE ABOVE. EACH OFFEREE AGREES BY ACCEPTING THIS MEMORANDUM THAT EXCEPT WITH THE CONSENT OF THE MANAGER, HE/SHE WILL NOT DISCLOSE ITS CONTENTS TO ANY PERSON THE THAN THE OFFEREE'S PROFESSIONAL REPRESENTATIVES IN CONNECTION WITH THE OFFEREE'S CONSIDERATION OF THIS TRANSACTION AND WILL RETURN IT PROMPTLY UPON REACHING A DECISION NOT TO INVEST IN THE LIMITED LIABILITY COMPANY INTERESTS OFFERED HEREUNDER. ANY DISTRIBUTION OF THIS MEMORANDUM OTHER THAN BY THE MANAGER OR ITS AGENT IS UNAUTHORIZED

The Date of this Offering Memorandum is

August 3, 2010

THIS INVESTMENT INVOLVES RISKS NOT ASSOCIATED WITH MORE CONVENTIONAL INVESTMENT ALTERNATIVES. SEE, "RISK FACTORS." IT IS BEING OFFERED ONLY TO "ACCREDITED INVESTORS" AS THAT TERM IS DEFINED IN REGULATION D OF THE 1933 ACT, AS AMENDED.

NO REPRESENTATION OR WARRANTY OF ANY KIND IS INTENDED OR SHOULD BE INFERRED WITH RESPECT TO THE ECONOMIC RETURN OR THE TAX CONSEQUENCES FROM AN INVESTMENT IN THE COMPANY. NO ASSURANCE CAN BE GIVEN THAT EXISTING LAWS WILL NOT BE CHANGED OR INTERPRETED ADVERSELY. PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THE MEMORANDUM AS LEGAL OR TAX ADVICE. INVESTORS SHOULD CONSULT THEIR OWN COUNSEL, ACCOUNTANT AND BUSINESS ADVISERS AS TO LEGAL, TAX AND RELATED MATTERS CONCERNING THIS INVESTMENT.

THE INTERESTS OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR, ANY STATE SECURITIES LAWS, AND ARE OFFERED IN RELIANCE ON CERTAIN EXEMPTIONS FROM REGISTRATION, INCLUDING THE EXEMPTION OFFERED BY RULE 506 OF REGULATION D PROMULGATED UNDER SECTION 4(2) OF THE SECURITIES ACT. THE INTERESTS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES AGENCY OR OTHER REGULATORY AUTHORITY, NOR HAS THIS CONFIDENTIAL MEMORANDUM ("MEMORANDUM") BEEN FILED WITH THE DEPARTMENT OF BANKING AND FINANCE OF THE STATE OF FLORIDA PRIOR TO ITS ISSUANCE OR USE. NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING, OR THE ACCURACY OR ADEQUACY OF THE MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THE INTERESTS ARE SUBJECT TO RESTRICTIONS ON TRANSFER AND MAY NOT BE TRANSFERRED OR RESOLD UNLESS THEY ARE SUBSEQUENTLY REGISTERED UNDER THE SECURITIES ACT OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE. THERE IS NO PUBLIC OR OTHER MARKET FOR THE INTERESTS NOR IS SUCH MARKET LIKELY TO DEVELOP.

THE COMPANY HAS NOT REGISTERED UNDER THE INVESTMENT COMPANY ACT OF 1940 ("40 ACT") PURSUANT TO AN EXEMPTION WHICH PROVIDES THAT THE COMPANY NEED NOT REGISTER UNDER THE 40 ACT SO LONG AS IT LIMITS ITS NUMBER OF INVESTORS INCLUDING THE MANAGER TO 100, AND DOES NOT PUBLICLY OFFER ITS SECURITIES. THEREFORE, THE COMPANY WILL NOT BE REQUIRED TO COMPLY WITH CERTAIN REQUIREMENTS OF THE 40 ACT INCLUDING THE FILING OF INVESTMENT POLICIES WITH THE SEC AND THE COLLATERALIZATION OF SHORT SALES AND THE MAINTENANCE OF SPECIFIC LEVELS OF ASSET COVERAGE FOR BORROWING.

PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS MEMORANDUM OR ANY PRIOR OR SUBSEQUENT COMMUNICATION FROM THE MANAGER OR AFFILIATES OF THE MANAGER, OR ANY PROFESSIONAL ASSOCIATED WITH THIS OFFERING AS LEGAL OR TAX ADVICE. EACH INVESTOR SHOULD CONSULT SUCH INVESTOR'S OWN PERSONAL COUNSEL, ACCOUNTANT AND OTHER ADVISORS AS TO LEGAL, TAX, ECO-

NOMIC, AND RELATED MATTERS CONCERNING THE INVESTMENT DESCRIBED HEREIN AND ITS SUITABILITY FOR SUCH INVESTOR.

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR SOLICITATION TO ANYONE IN ANY STATE OR IN ANY OTHER JURISDICTION IN WHICH SUCH AN OFFER OR SOLICITATION IS NOT AUTHORIZED. NEITHER THE DELIVERY OF THIS MEMORANDUM NOR ANY SALE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS DESCRIBED IN THIS MEMORANDUM OR IN THE COMPANY, SINCE THE DATE HEREOF. HOWEVER, IF MATERIAL CHANGES OCCUR, THIS MEMORANDUM WILL BE AMENDED OR SUPPLEMENTED ACCORDINGLY.

NO OFFERING LITERATURE OR ADVERTISING IN WHATEVER FORM SHALL BE EMPLOYED IN THE OFFERING OF THE INTERESTS, EXCEPT INFORMATION CONTAINED IN THIS MEMORANDUM OR OTHERWISE SUPPLIED BY THE MANAGER. NO SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS, EITHER EXPRESS OR IMPLIED, OTHER THAN THOSE WHICH MAY BE CONTAINED HEREIN. IF SUCH ADDITIONAL INFORMATION IS PROVIDED, IT MUST NOT BE RELIED UPON IN MAKING A DECISION ABOUT PARTICIPATION IN THIS PROGRAM.

THIS OFFERING CONTAINS A SUMMARY OF CERTAIN PROVISIONS OF THE DOCUMENTS RELATING TO THIS OFFERING, AS WELL AS SUMMARIES OF VARIOUS PROVISIONS OF RELEVANT STATUTES AND THE APPLICABLE REGULATIONS THEREUNDER. WHILE THE MANAGER BELIEVES THESE SUMMARIES TO BE ACCURATE, THESE SUMMARIES DO NOT PURPORT TO BE COMPLETE AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE TEXTS OF SUCH DOCUMENTS, STATUTES AND REGULATIONS.

NOTICE TO FLORIDA RESIDENTS: THE INTERESTS REFERRED TO IN THIS SUBSCRIPTION AGREEMENT WILL BE SOLD TO, AND ACQUIRED BY, THE HOLDER IN A TRANSACTION EXEMPT UNDER SECTION 517.061(12) OF THE FLORIDA SECURITIES ACT. THE INTERESTS HAVE NOT BEEN REGISTERED UNDER SAID ACT IN THE STATE OF FLORIDA, IN ADDITION, ALL FLORIDA RESIDENTS SHALL HAVE THE PRIVILEGE OF VOIDING THE PURCHASE WITHIN THREE (3) DAYS AFTER THE FIRST TENDER OF CONSIDERATION IS MADE BY SUCH PURCHASER TO THE ISSUER, AN AGENT OF THE ISSUER, OR AN ESCROW AGENT OR WITHIN 3 DAYS AFTER THE AVAILABILITY OF THAT PRIVILEGE IS COMMUNICATED TO SUCH PURCHASER, WHICHEVER OCCURS LATER.

NOTICE TO NEW YORK RESIDENTS: THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE NEW YORK FRAUDULENT PRACTICES ("MARTIN") ACT, BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. THESE SECURITIES CANNOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS SUBSEQUENTLY REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE NEW YORK FRAUDULENT PRACTICES ("MARTIN") ACT, IF SUCH REGISTRATION IS REQUIRED

THIS PRIVATE OFFERING MEMORANDUM HAS NOT BEEN FILED WITH OR REVIEWED BY THE ATTORNEY GENERAL PRIOR TO ITS ISSUANCE AND USE. THE ATTORNEY GENERAL OF THE STATE OF NEW YORK HAS NOT PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

PURCHASE OF THESE SECURITIES INVOLVES A HIGH DEGREE OF RISK.

THIS PRIVATE OFFERING MEMORANDUM DOES NOT CONTAIN AN UNTRUE STATEMENT OF A MATERIAL FACT OR OMIT TO STATE A MATERIAL FACT NECESSARY TO MAKE THE STATEMENTS MADE, IN LIGHT OF THE CIRCUMSTANCES UNDER WHICH THEY WERE MADE, NOT MISLEADING. IT CONTAINS A FAIR SUMMARY OF THE MATERIAL TERMS OF DOCUMENTS PURPORTED TO BE SUMMARIZED HEREIN.

NOTICE TO PENNSYLVANIA RESIDENTS: THE INTERESTS OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER SECTION 201 OF THE PENNSYLVANIA SECURITIES ACT OF 1972 (THE "ACT") AND MAY BE RESOLD BY RESIDENTS OF PENNSYLVANIA ONLY IF REGISTERED PURSUANT TO THE PROVISIONS OF THAT ACT OR IF AN EXEMPTION FROM REGISTRATION IS AVAILABLE. THE NET WORTH OF ALL PENNSYLVANIA NON ACCREDITED PURCHASER MUST EXCEED FIVE TIMES THEIR INVESTMENT EXCLUSIVE OF HOME, FURNISHINGS, AUTOMOBILES AND PROPOSED INVESTMENT.

EACH PERSON ACCEPTS AN OFFER TO PURCHASE SECURITIES EXEMPTED FROM REGISTRATION BY SECTION 203(d), (f), (p) or (r), DIRECTLY FROM AN ISSUER OR AFFILIATE OF AN ISSUER SHALL HAVE THE RIGHT TO WITHDRAW HIS ACCEPTANCE WITHOUT INCURRING ANY LIABILITY TO THE SELLER, UNDERWRITER (IF ANY) OR ANY OTHER PERSON, WITHIN TWO BUSINESS DAYS FROM THE DATE OF RECEIPT BY THE ISSUER OF HIS WRITTEN BINDING CONTRACT OF PURCHASE OR, IN THE CASE OF A TRANSACTION IN WHICH THERE IS NO WRITTEN BINDING CONTRACT OF PURCHASE, WITHIN TWO BUSINESS DAYS AFTER HE MAKES THE INITIAL PAYMENT FOR THE SECURITIES BEING OFFERED.

If you have accepted an offer to purchase these securities made pursuant to a prospectus which contains a notice explaining your right to withdrawal your acceptance pursuant to Section 207(m) of the Pennsylvania Securities Act of 1972 (70 P.S. Section I-207(m)), you may elect, within two business days after the first time you have received this notice and prospectus to withdraw from your purchase agreement and receive a full refund of all monies paid by you. Your withdrawal will be without any further liability to any person. To accomplish this withdrawal, you need only send a letter or telegram to the issuer (or underwriter if one is listed on the front page of the prospectus) indicating your intention to withdraw. Such letter or telegram should be sent and post marked prior to the end of the aforementioned business day. If you are sending a letter, it is prudent to send it by certified mail, return receipt requested, to ensure that it is received and also to evidence the time when it was mailed. Should you make this request orally, you should ask for written confirmation that your request has been received.



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Section 1 SUMMARY OF THE MEMORANDUM

The following is intended as a brief summary and should not be relied upon as fully descriptive of this offering. This summary is qualified in its entirety by the remainder of this Private Placement Memorandum.

The Company

Safe Harbor Investing, LLC., ("The Company") is a Limited Liability Company whose main investment objective is to protect the purchasing power value of its Net Asset Share Value. Today's investors are faced with many investment opportunities and portfolio alternatives. The management of your money in today's volatile investment markets requires additional insights and investment tools to help make your money grow. This portfolio is designed to invest defensively no matter what happens - good times, bad times, recession, inflation, terrorist attacks or a depression. The idea is that the investment sectors that this Safe Harbor Investment Fund invests in will move up or down during all economic environments thus offering stability of ones purchasing power hence the term Safe Harbor. See "COMPANY ACTIVITIES." A Limited Liability Company is a form of business entity designed to allow its owners, known as Members, to allocate, participate and account for the profits, losses and items of credit and deduction. A Limited Liability Company also provides the Members with limited liability protection available to shareholders in a corporation. Therefore, the Members of a Limited Liability Company are not personally liable for the debts of the Company solely by virtue of their ownership of Limited Liability Company interests and cannot be held liable for negligent actions of the Company. A Limited Liability Company may delegate management to one or more persons known as "Managers."

The Manager

The Institute of Wealth Management Inc., is the Company's Manager. In general, the Manager is responsible for the operation and management of the Limited Liability Company. See "**MANAGEMENT OF THE Company.**"

The Offering

The Company, is offering Limited Liability Company Interests (the "Interests"). The value of these Interests will vary as the Net Asset Value of the Company changes. The purchase price is payable in full at the time of subscription. The minimum investment is \$100,000. However, the Manager reserves the right to accept subscriptions for lesser amounts in its sole discretion. The subscription period will terminate on the earlier of termination by the Manager in his sole discretion, or the admission of 100 partners.

The issuers are not using the services of underwriters or selling groups to place this issue, therefore there are no commission costs associated with this placement.

Purchase of Interests

Investors may be admitted at the start of any calendar month providing all requirements of completion of subscription documents and receipt of funds, along with all other provisions contained within this document have been satisfied. Investors' accounts will be credited for the amount of interest earned before admission to the Company in accordance with provisions in the Subscription Documents.

Redemption of Interests

All members shall have the right to redeem a portion or all of their investment at the anniversary calendar year of the Member and thereafter at the next calendar quarter determination of Net Asset Value.

Written notice must be provided by the 15th day of month preceding the month end of the withdrawal (approximately 45 days notice). Redemption will be honored on a first come, first served basis and at the Manager's discretion so as not to force sales.

Application of Proceeds

The Manager estimates that the Purchase Price of the Limited Liability Company Interests will be allocated 100% for investment except for the possible reimbursement of organizational expenses. See **"COMPENSATION, FEES, AND EXPENSES."**

Section 2 RISK FACTORS

PURCHASE OF THE LIMITED LIABILITY COMPANY INTERESTS INVOLVES A SIGNIFICANT DEGREE OF FINANCIAL RISK. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER THE FOLLOWING RISKS AND THOSE DISCUSSED UNDER "TAX ASPECTS" CONCERNING THE PURCHASE OF INTERESTS AND THE COMPANY GENERALLY.

Incentive Allocation Arrangement. The Company's Incentive Allocation arrangement (**See Incentive Allocation**) may be viewed as creating an incentive for the Portfolio Advisor to make investments that are riskier or more speculative than would be the case in the absence of such incentive compensation. Because the Incentive Allocation is calculated on a basis which includes unrealized appreciation of the Company's assets, such allocation may be greater than if it were based solely on realized gains.

Transferability of Limited Liability Company Interests. The Interests offered hereby will have limited and restricted transferability and no public market for the Interests is expected to develop. The Interests may not be transferred without registration under applicable federal and state securities acts, or an exemption therefrom and an opinion of counsel, satisfactory to the Manager, that such registration and qualification are not required. The Company has also imposed other restrictions on the transfer of Interests, which restrictions are set forth in this agreement. An assignee of an Interest may become a substituted Member only with the consent of the Manager.

Liability to Certain Creditors. When a Member has received the return of part or all of his capital contribution, he may be liable to the Company for any sum, not in excess of the amount returned to him, with interest, necessary to discharge the Company's liabilities to all creditors who extended credit or whose claims arose before such return. Although the Manager does not intend to distribute capital to the Members in such a manner so as to cause the above situation to apply, there can be no assurance that such a distribution will not be made, and therefore a Member may be liable to the Company under the above provision.

Experience of the Company. This Company is being formed for the specific purpose and activities described herein. It has no operating or financial history in this business. Thus the Company has no record of past success to be relied upon in making an investment herein. See **"MANAGEMENT OF THE Company."**

Management of the Company. The Manager will have exclusive and complete discretion in the responsibility and for the management of the Company and will make all decisions affecting Company affairs. Members will not be entitled to participate in the management and control of the Company's business and affairs. Accordingly, the Investors must rely principally on the Manager in the conduct of the Company's business.

Conflicts of Interest. The Manager may participate as a Manager, or in any other capacity, in any other companies or other types of association. Furthermore, the Manager may enter into other organizations or associations. The Manager and affiliates are not restricted in the conduct of any such additional activities. Accordingly, the Manager and affiliates may have various conflicts of interest due to his

involvement with other companies, partnerships and activities.

Absence of Independent Representation. All terms and provisions of the Company Agreement, including those which relate to the relationship between the Manager and Members of the Company and the allocation of cash flow distributions, net income, net loss and net income from capital transactions have been determined by the Manager in consultation with his legal counsel and audit firm for the Company. The Company is not independently represented or advised by counsel. The Members have not been and will not be independently represented by counsel with respect to such matters. See "**CONFLICT OF INTERESTS.**"

Indemnification, Exoneration and Liability of the Manager. The Company Agreement provides that the Manager will not be liable for damages or losses arising from any act or omission performed or omitted by the Manager in good faith in connection with the Company's operations. Moreover, the Company Agreement provides for the indemnification of the Manager against any loss so occasioned. See "**SUMMARY OF THE Company AGREEMENT -- Indemnification 5.9.**"

Dependence on Manager. Under the terms of the Company Agreement, the Members will have no voice or role in the day to day management of the Company and are only entitled to vote on a limited number of matters. The investment decisions of the Company will be solely within the discretion of the Manager. Accordingly, the Members and the Company will be entirely dependent upon the ability of the Manager to carry out the purposes of the Company on a successful basis. The death, disability or inability to serve of the Manager could have a material adverse effect on the ability of the Company to implement and carry out its purpose.

Death, Removal, In competency, or Resignation of the Manager. The Manager may be removed for any reason upon the agreement in writing and by vote of Members holding at least a majority of the Interests then held by Members. A substitute Manager who shall have and succeed to all the rights, powers and duties of the original Manager, shall be appointed by vote of a majority in interest of the Members evidenced by written appointment and acceptance. The death, removal, or in competency of the Manager will cause the Company to find and vote for a new Manager. If the Manager resigns, then the Manager may appoint a substitute Manager upon approval of a majority of the Members. If a majority is not reached, then the Members may nominate and vote for a new Manager. With all of the proceedings of this paragraph, the Members will be polled to vote within sixty (60) days after the event, provided that there are at least two (2) remaining Members. A majority will decide.

Possible Adverse Effects of Increased Costs. The combined effect of substantial increases in the cost of operation of the Company or future taxes may materially reduce the economic attractiveness of the business proposed to be conducted by the Company.

Economic Conditions. Changes in economic conditions including interest rates, inflation rates, industry conditions, competition, technological developments, political and diplomatic events, and innumerable other factors may substantially affect market values of the securities in which the Company may invest. None of these conditions will be within the control of the Manager.

Limited Liquidity of Investments. Although the securities purchased and sold by the Company are expected to be relatively liquid, market conditions may arise in which securities traditionally thought to be actively traded and for which adequate liquidity exists are no longer purchasable or salable. Such instances may include market conditions as a result of "program trading," panic selling or suspension of trading due to world events or technical complications. In such cases, the Company may not be able to promptly initiate or liquidate its investments, which may affect materially and adversely the Company's ability to limit its losses.

Limited Liquidity of the Options. In addition, the liquidity of the options which may be written against securities owned (covered writing) is considerably less than the liquidity of the underlying securities. Conditions may arise in which options traditionally thought to be actively traded and for which adequate

liquidity exists are no longer purchasable or salable. Such instances may include severely skewed market conditions as a result of "program trading" or panic selling, suspension of trading due to world events or technical complications, or chronic lack of activity in the options. In such cases, the Company may not be able to promptly initiate or liquidate its options, which may affect materially and adversely the Company's ability to limit its losses.

Unspecified Investments. The Company has not identified any of the particular securities that it will purchase or sell short. Accordingly, an investor in the interests must rely upon the ability of the Manager to identify and acquire portfolio securities consistent with the Company's investment objectives and policies. The investor will not have the opportunity to personally evaluate the relevant economic, financial and other information that will be utilized by the Manager in the selection and monitoring of investments.

Brokerage Commissions. Although the brokerage account of the Company will be held by a related independent broker-dealer having no interest in the Company, turnover of the Company's portfolio, (the amount of trading of securities that will occur in the Company's portfolio along with the related commissions), **may be substantial**, and, therefore could reduce the Company's performance.

Speculative Nature of Investments. The investments made within this fund are designed to adjust to current market conditions for strategic balance using our longer term investment cyclic research. This requires investment indexing is specific defensive sectors such as Precious Metals, Energy/Natural Resources, Government Securities and Exchange Traded Funds in various other specific sectors. The investment vehicles used within these sectors will also present inverse opportunities designed to protect and grow real wealth in all kinds of markets. There is no guarantee or insurance against the possibility that the positions may lose a significant portion of their value, and/or that inverse positions may rise in value. No person should invest in this fund unless such person understands the risk and rewards of this investment strategy and can afford to lose a significant portion of the investment.

Unpredictability of Stock Market Price Movements. A market that drops, moves lower over time, or a "bear market" may cause Members to sell their interests in the Company at prices substantially below their original purchase price, resulting in a loss of their investment. In addition, there can be no assurance that there will never be a collapse of the prices of securities that would significantly reduce the value of the Company's investments, and therefore, the value of the Members' Interests.

Governmental Regulations. The operations of the Company may be subject to various laws and regulations of State and Federal Governments. It is not known to what extent complying with such regulations, if any, will affect the business of the Company.

No Regulation as an Investment Fund. While the Company may be considered a private investment fund, it is not required and does not intend to register as such under the Investment Company Act of 1940 (in reliance upon an exemption available to privately offered investment vehicles with not more than 100 investors). Accordingly, the provisions of that Act, which among other matters protect investors, limit the amount of marketing expenses that may be charged to the Company, and regulate the relationship between the investment advisor and the Company, will not be applicable. See "**CONFLICT OF INTERESTS.**"

Tax Liability Without Cash Distributions. The Manager does not intend to make distributions to the Members but intends instead to reinvest substantially all of the Company's income and gain. Cash that might otherwise be available for distribution will also be reduced by payment of Company's obligations (including fees and allocations payable to the Manager), payment of other costs, and establishment of appropriate reserves. **AS A RESULT, IF THE COMPANY IS PROFITABLE, MEMBERS IN ALL LIKELIHOOD WILL BE CREDITED WITH COMPANY NET INCOME, AND MAY INCUR INCOME TAX LIABILITY, EVEN THOUGH THEY DO NOT RECEIVE ANY DISTRIBUTIONS OF CASH.**

Redemption Risks. Because a redemption request will be effective at a date beyond the date of re-

quest, the redemption Net Asset Value could decrease or increase between the date on which the request is submitted and the date redemption occurs.

Risk of Integration. Federal and State securities laws provide that certain conditions be met in order to avoid the integration of a series of offerings. These conditions can be satisfied by either meeting certain "Safe Harbor Rules," promulgated by the SEC, or in the event the Safe Harbor Rules are not available, the particular facts and circumstances (the "Facts and Circumstances Test"). The Manager believes that all offerings affiliated with the Company, that do not meet the Safe Harbor Rules will meet the Facts and Circumstances Test and therefore would not be integrated. However, should the offerings be deemed to be integrated then the exemptions from registration relied upon could be unavailable, resulting in material adverse consequences to the Company.

ERISA Considerations. In considering an investment in the Company of a portion of the assets of an entity which is subject to the requirements of the Employee Retirement Income Security Act of 1974 ("ERISA"), the fiduciaries acting on behalf of such entity should be satisfied that such an investment is consistent with section 404 of ERISA and that the investment is prudent in light of the entity's cash flow and other objectives. The Department of Labor has issued and proposed certain regulations which should be taken into consideration by fiduciaries of such entities in determining whether to purchase an interest in the Company. See **"ERISA CONSIDERATIONS."**

Diversification Risks and limited number of portfolio positions. The Company is permitted to concentrate any amount of its investments in particular industries and issuers. Accordingly, the Company has not adopted any policy regarding diversification of investments in different industries or issuers in order to reduce its risk of loss.

Section 3 COMPENSATION, FEES, AND EXPENSES

Organizational Reimbursement

Organizational expenses include any State and Federal filing fees, legal and accounting opinions, or any other expenses required for opening the Company. Organizational expenses not exceeding \$50,000 may be advanced by the Manager to the Company without prior majority consent of the Membership. The Company will reimburse the Manager, once it has contributions totaling \$500,000. In the event that more than \$10,000 organizational expenses are required, a meeting will be called for authorization by a majority of the membership. The issuer does not expect organizational expense to exceed \$50,000.

Marketing expenses will not be paid by the Company. The Manager will incur all marketing expenses.

Manager

Typically in the financial industry, Portfolio Managers of Private Equity Funds receive on average a management fee (annualized) of two percent (2.00%) of the net asset value of each investor's investment account which is paid on a monthly basis plus an incentive fee. This Safe Harbor Fund management fee will be 1% for accounts under \$300,000, and 1/2 of 1% on accounts over \$300,000 and under \$500,000, and for accounts \$500,000 to 1,000,000, 1/4 of 1%, paid in advance. All management fees on fund investments over 1 million dollars are waived for the life of the fund.

Incentive Allocation

As of each calendar quarter starting in 2010 or, if earlier, immediately following the withdrawal of all or part of a Member's capital account, the Manager will be entitled to receive an allocation (the "Incentive Allocation"), charged to the capital account of each member, equal to a total of 20% of the net profits, if any, that have been credited to the capital account of such Member during such period.

The Incentive Allocation will be charged to Members only to the extent that cumulative net profits with respect to such Members through the close of any allocation period exceeds the highest level of cumulative net profits with respect to such Member through the close of the preceding allocation period. See Section 7 "Incentive Allocation".

Broker-Dealers and Other Persons

An adviser to the fund manager is Bill Bresnan, the famed ABC Radio financial talk show host. Bill Bresnan is also the best selling author of "Getting Started in Asset Allocation" as well as many other book titles relating to investing and money management. Currently Bill Bresnan is a sought after public speaker touring the United States giving his views regarding the current state of the U.S. and worldwide economies. The Safe Harbor investing allocations are designed utilizing his economic forecasting, and our original cycle analysis research.

The Manager may utilize other persons who may aid in the sale of Member interests. These persons include certain qualified broker dealers who are members of FINRA. See "**PLAN OF DISTRIBUTION.**" "**CONFLICTS OF INTEREST**", and "**RISK FACTORS-BROKER-DEALERS.**"

These persons will not be compensated by the Company. The Company will bear no expense of marketing.

The investors will not be charged any additional fees as a result of the referrals. The referral fees are being paid to any such Broker-Dealer and others by the Manager. See, "**CONFLICTS OF INTEREST**", and "**RISK FACTORS.**"

Brokerage Commissions

The Company may employ an institutional broker-dealer with no affiliation to the Company. The Manager will negotiate institutional commission rates seeking those appropriate for the size and volume of the account. See "**RISK FACTORS-BROKERAGE COMMISSIONS.**"

Expenses

In addition to the above mentioned expenses, the Company will pay operating expenses including, but not limited to the following: Hiring employeesCommissions, taxes and fees associated with the purchase, ownership, and sale of securities, legal expense, accounting, administration, subscriptions, bank charges, audit, and tax return preparation, taxes and fees imposed by any government agency, and extraordinary expenses.

Extraordinary Expenses

Any extraordinary expenses or other expenses which the Manager reasonably determines are not properly considered operating expenses of the Company shall be paid by the Company. This would include but not be limited to the costs arising from any litigation or from any appellate court proceedings, arbitrations or settlement negotiations.

Section 4 ERISA CONSIDERATIONS

The Provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), are extremely complex and their application to an investment in the Company may be uncertain. Consequently each investor who is subject to ERISA should consult with its legal counsel concerning investments in the Company and issues including but not limited to those discussed below.

Trust Requirement

ERISA requires that all assets of an employee benefit plan or individual retirement account ("plan assets") be held in trust by one or more trustees (or in certain cases in a qualifying custodial account). Interpretations by the Department of Labor indicate that the underlying assets of an investment Company may be treated as plan assets if there is a prior arrangement to engage in a prohibited transaction under ERISA. Notwithstanding the fact that no prior arrangement exists, any investor subject to ERISA should consult with its own legal counsel to determine whether ERISA's trust requirement will be satisfied in the case of an investment in interests of the Company.

Prohibited Transaction Rules

ERISA prohibits certain transactions, including sales of interests in the Company, between an employee benefit plan or an individual retirement account and a "party in interest" or "disqualified person." If a prohibited transaction were deemed to have occurred, the plan or account would be subject to income tax on the amount invested in interests plus a ten-percent penalty tax thereon. Each investor which is subject to ERISA should, therefore, consult with its legal counsel to determine whether by virtue of its relationship with certain broker dealers participating in this offering or executing transactions on behalf of the Company could result in a prohibited transaction, or if other relationships could have the same result.

Those persons proposing to invest on behalf of employee benefit plans or individual retirement accounts should also consider whether a purchase of the Interests will cause the Company's assets to be deemed to be "plan assets" for purposes of the fiduciary responsibility and the prohibited transaction provisions of ERISA and the Code. Neither ERISA nor the Code defines "plan assets."

On November 13, 1986, however, the Department of Labor published new regulations relating to the definition of "plan assets" which require that the assets of certain pooled investment vehicles be treated as "plan assets." If the assets of the Company were deemed to be "plan assets" of employee benefit plans that are Members, transactions involving the assets of the Company and "parties in interest" or "disqualified persons" with respect to such plans might be prohibited under Section 406 of ERISA and Section 4975 of the Code. A "prohibited transaction," in addition to imposing potential personal liability upon fiduciaries of ERISA plans, may result in the imposition of an excise tax on certain "disqualified persons" with respect to the ERISA plan or individual retirement account.

The Company's assets would not be considered to be "plan assets" under the Department of Labor regulations so long as, inter alia, (i) the interests of Company acquired by employee benefit plans qualify as "publicly-offered securities" or (ii) less than 25% of the value of interests of the Company outstanding is held by ERISA plans, individual retirement accounts and other employee benefit plans not subject to ERISA (e.g., governmental plans). "Publicly-offered securities" are defined in the regulations to be eq-

uity interests that are widely held, freely transferable and registered pursuant to certain provisions of the federal securities laws (unless such equity interest are offered primarily to tax-exempt entities). The interests of the Company will not be registered under applicable securities laws, are not expected to be widely held and will not be considered freely transferable by virtue of the contractual resale restrictions. See "Summary of the Company Agreement, Limited Transferability of Interests." Consequently, interests of the Company will not constitute "publicly-offered securities" for purposes of the regulations. Furthermore, because the interests are being offered to entities that are exempt from the payment of federal income tax it is possible that 25% or more of the value of interests of the Company outstanding will be held by ERISA plans, individual retirement accounts and other employee benefit plans not subject to ERISA (e.g., governmental plans). The foregoing discussion is general in nature and is not intended to be all-inclusive. Accordingly, prospective purchasers of Common Stock are urged to consult their own advisors.

Prudence Rules and Other Requirements

Fiduciaries of employee benefit plans and individual retirement accounts should consider whether an investment in the Company is consistent with their plan objectives and their responsibility under ERISA such as the requirements that (i) investments be made in a prudent manner, (ii) plan assets be diversified unless it is clearly prudent not to do so, and (iii) the fiduciary provides benefits for plan participants and beneficiaries and value plan assets annually (which may be difficult given the absence of a market value for the re-sale of the interests).

Section 5 **COMPANY ACTIVITIES**

Investment Objectives

The objective of the Safe Harbor Investing Account is to protect the purchasing power value of its Net Asset Share Value. Today's investors are faced with many investment opportunities and portfolio alternatives. The management of your money in today's volatile investment markets requires additional insights and investment tools to help make your money grow. This portfolio is designed to invest defensively no matter what happens - good times, bad times, recession, inflation, terrorist attacks or a depression. The idea is that the investment sectors that this Safe Harbor Investment Fund invests in will move up or down during all economic environments thus offering stability of ones purchasing power hence the term Safe Harbor

The investment sectors selected within this account are designed to adjust to current investment market conditions for strategic balance, with the aim of long-term protection of the client's purchasing power. This requires safe and profitable indexing of investments in specific sectors such as Gold and other Precious Metals, Energy/Natural Resources, Government Securities and Exchange Traded Funds in various other specific sectors. The investment vehicles used within these sectors will also present inverse opportunities designed to protect and grow real wealth in all kinds of markets. Through diversification and discipline, this fund strives to protect investment capital, through economic uncertainties, no matter what the future holds.

Investment Methodology

Management uses an investment model based on a proprietary methodology.

Financials

The Company has been created for the sole purpose of offering investment interests to its Members. The Company was formed for this purpose and therefore has no prior business activity. The Company was incorporated in July, 2009. As a newly formed organization the Company, as of the date of this Memorandum, has no Balance Sheet nor Profit and Loss Statement.

Section 6 ALLOCATION OF PROFIT AND LOSS

Profit and Loss

Profit and loss will be allocated to the Partners in the percentage of their capital ownership less the Incentive Allocation. **See "Incentive Allocation."**

Distributions

The Manager does not anticipate making any distributions of cash of the Company to the Members but rather will reinvest all income and gains. The amount and timing of distributions, if any, will be at the sole discretion of the Manager and will not be made on a regular basis.

Apportionment Among Members

Allocations of Profit and Loss made to the Members will be apportioned among the Members in accordance with their Member Interests and will be made only to the extent realized, paid or incurred by the Company during the portion of the fiscal period in which the investor was a Member.

Manager's Capital Interest

The Manager may contribute to the initial capital of the Company. Initial capital may be required for the purpose of the operating the Company until sufficient Member funds have been raised. Any capital contribution made to the company will be reimbursed by the Company once it has \$500,000 in contributions. The Manager is not acquiring an interest in the Limited Liability Company pursuant to Florida Business Corp. Law. The owners of the Management Company may invest in the Company as a Member having met all Member requirements.

Section 7 TERMS OF THE OFFERING

Incentive Allocation

The Manager will be entitled to receive an "Incentive Allocation" charged to the capital account of each Member as of the last day of each "allocation period." The Incentive Allocation equals 20% of the amount by which any "allocated gain" during an "allocation period" exceeds the positive balance in such Member's "allocation account."

For purposes of calculating the Incentive Allocation, "allocated gain" means the excess of the balance of such Member's capital account at the end of an "allocation period" (after giving effect to allocations other than the Incentive Allocation, but before giving effect to withdrawals of interests from the Company or debits to such capital account to reflect any item not chargeable ratably to all Members), over the bal-

ance of such Member's capital account at the start of such "allocation period". Consequently, any Incentive Allocation to be credited to the Manager will be increased by a portion of the amount of any net unrealized appreciation, as well as net realized gains, allocable to a Member. An Incentive Allocation is charged only with respect to any "allocated gain" in excess of the positive balance of an "allocation account" maintained for each Member. An "allocation account" is a memorandum account maintained by the Company for each Member which has an initial balance of zero and is (1) increased after the close of each "allocation period" by the amount of any negative performance for such Member during such "allocation period," or (2) decreased (but not below zero) after the close of each "allocation period" by the amount of any allocated gain for such Member during such "allocation period." Any positive balance of a Member's "allocation account" would be reduced as a result of a withdrawal or certain transfers with respect to such Member's interest in the Company in proportion to the reduction of such Member's capital account.

An "Allocation Period" as to a particular Member is a period commencing on the admission of Member to the Company and ending at the close of business on each calendar quarter end of the fiscal year in which the Member is admitted (the "Initial Allocation Period"), and thereafter is each period commencing the day following the last day of the preceding allocation period with respect to any such Member and ending as of the close of business on the first to occur of (1) calendar quarter end of the same calendar year, (2) the day of which the entire interest of such Member is withdrawn from the Company, (3) the day as of which the Company admits as a substitute Member a person to whom the entire interest of such Member has been transferred or (4) the day as of which the Manager no longer serves as the Manager of the Company. The measurement of any Incentive Allocation for an allocation period must take into account any negative performance from a prior allocation period, to the extent reflected in the "allocation account". Therefore, the Incentive Allocation for any allocation period after the initial allocation period is a reflection of the extent to which the cumulative performance of each Member's account, since such Member's admission to the Company, exceeds the highest previous level of performance achieved through the close of any prior allocation period.

Subscription to the Company

Interests in the Company are available only to qualified purchasers. The minimum purchase by an Investor in the Company is \$100,000. The Manager may, in its sole discretion, reduce the minimum investment amount on a case by case basis. Subscriptions are payable in full at the time of subscription.

The execution of the Subscription Agreement by a purchaser or its authorized representative constitutes a binding offer to buy Interest(s) in the Company and an agreement to hold the offer open until the Subscription is accepted or rejected by the Manager. The Manager has the discretion to refuse or accept any Subscription without liability to the purchaser. The execution of the Subscription Agreement and its acceptance by the Manager also constitutes the execution of the Subscription Agreement by the Member, and agreement to be bound by the terms thereof as a Member.

How to Subscribe

Each prospective purchaser of Interests will be required to complete, execute and return to the Company, a properly filled out original set of Subscription Documents along with a check, cashiers check, or wire transfer payable to the Company or its clearing firm. ***No checks can be accepted which are made out to another payee and endorsed to the Company.***

The aforementioned documents should be sent to: The Institute of Wealth Management Inc. at 2385 Executive Center Drive, Suite 100, Boca Raton, FL 33431.

All of the above documents must be received by the Company prior to month end to be considered for admission at month end. Any documents received after month-end will be considered for admission at the end of the month in the month received (subject to the discretion of the

Manager).

The subscription documents contain certain representations and warranties to be made by each Investor to the Company, and such documents are an integral part of this Offering. The subscription documents must be delivered to each Investor concurrently with the delivery of this Memorandum. Each Investor will be notified whether such Investor's subscription for Interests has been accepted by the Manager. See "**TERMS OF THE OFFERING**," "**PURCHASE OF INTERESTS**" and "**INVESTOR SUITABILITY STANDARDS**."

Suitability

The Interests will be sold to persons who are financially and otherwise qualified for an investment herein as required by Regulation D of the Securities Act of 1933. Accordingly, each prospective Member will be required to deliver a Subscription Agreement including Suitability Disclosure, included as part of the Subscription Documents (Exhibit "C", hereto), which contains certain representations and warranties as to his qualification and suitability for an investment in the Interests.

Inquiry is made as to whether an investor is an "accredited investor" as such term is defined under Rule 501(a) of Regulation D of the Securities and Exchange Commission. **ALL INVESTORS MUST BE ACCREDITED.** Generally, "accredited investors" include (i) any person whose individual net worth, or joint net worth with that person's spouse, at the time of his purchase exceeds \$1,000,000, (ii) any person who had an individual income in excess of \$200,000 in each of the two preceding years and who reasonably expects an income in excess of \$200,000 in the current year (iii) any person and that person's spouse who have had a joint income of \$300,000 during each of the preceding two years and reasonably expects to have an income of at least that amount in the current year, or (iv) certain institutional investors such as banks, insurance companies and certain employee benefit plans.

The limited liquidity of this investment caused by restrictions on the transfer of Interests, lack of a market for the Interests, no repurchase obligation for Interests, and the tax consequences of the sale of the Interests, make investments in the Company suitable only for persons who are able to hold their Interests for a number of years. The suitability requirements stated above represent minimum suitability requirements for Investors. Accordingly, the satisfaction of applicable requirements by an Investor will not necessarily mean that the Interests are a suitable investment for such Investor. Furthermore, the Manager may modify such requirements at its discretion, and any such modification may raise the suitability requirements for Investors. The Manager reserves the right, in its sole discretion, to reject any potential investor and to limit the number of Interests acquired by any investor.

Section 8 PLAN OF DISTRIBUTION

Interests in the Company will be offered on a "best efforts basis" by the Manager. The Manager may pay referral fees up to and not exceeding \$100. The referral fee paid will reduce the capital contribution to that account and is not an expense of the Company.

Any cost associated with distribution of funds to the Membership such as a wire transfer fee or overnight delivery will be at the expense to the Member.

Section 9 APPLICATION OF PROCEEDS

The manner in which Subscription Proceeds will ultimately be expended cannot be stated with absolute certainty. See: "**COMPANY ACTIVITIES**" and "**TERMS OF THE OFFERING.**" It is anticipated that all proceeds will be invested according to the objectives of the Company, except as stipulated below.

The minimum value of the subscription of Interests that will be accepted per investor is \$100,000. The minimum purchase requirement may be waived by The Manager on a case by case basis. The Investors by and through the purchase of Interests in the Program shall acquire 100% of the Interest in the Company.

Organizational expenses not exceeding \$10,000 will be advanced by the Manager to the Company. The Company will reimburse the Manager, once it has contributions totaling \$500,000. Marketing expenses will not be paid by the Company. See "**COMPENSATION, FEES, AND EXPENSES.**"

Section 10 MANAGEMENT OF THE COMPANY

Administration of Company Operations

The Company affairs will be handled by the Manager. The Manager will co-ordinate and administer all financial activities of the Company, including the hiring of tax professionals to prepare tax returns, auditors to conduct the annual audit, and administrators for administering and reporting, and will generally have full authority to govern the financial activities of the Company.

As an internal control measure, the Manager has arranged to have the auditing firm to act as the Independent Representative. The Independent Representative will have authority to approve any and all disbursements requested in writing by the Manager. The approved request is forwarded by the Independent Representative to the Prime Broker, which holds custody of the account, to make the disbursements from the investment account of the Company. There will be no checking account, as such held by the Company, and the Manager cannot issue any disbursement whatsoever.

Fiduciary Responsibilities of the Manager

The Manager is in a fiduciary relationship to the Members of the Limited Liability Company. The Manager, as a fiduciary, will be required to exercise integrity and good faith in dealing with respect to Company affairs. Where the question has arisen, courts have held that a Member may institute a legal action on behalf of itself and all other similarly situated Members (a class action) to recover damages for a breach by the Manager of its fiduciary duty, or on behalf of the Company (a Company derivative action) to recover damages from the Manager or from third parties. Certain cases decided by the Federal courts may also be construed to support the right of a Member to bring such actions under the Securities and Exchange Commission Rule 10b-5 for the recovery of damages (including losses incurred in connection with the purchase or sale of a Limited Liability Company interest) resulting from a breach by the Manager of its fiduciary duty. The burden of proving such a breach, and all or a portion of the expense of such lawsuit, might have to be borne by the Member bringing such action. The provisions of the Company Agreement may increase the difficulty of establishing such a breach.

The Manager

The Manager reserves the right to change the State of Incorporation from Florida to another State at any time, and without notice.

The Investment Manager

The Investment Manager is Peter Bruno, an experienced investment manager and creator of a confidential and proprietary cycle analysis system. Mr. Bruno is a member of the management team of the Institute of Wealth Management Inc. which is licensed to fully utilize the cycle analysis system. Below is a professional summary of Peter Bruno:

Peter Bruno

Peter Bruno began his career in the securities industry more than 45 years ago with the national investment firm of Loeb, Rhoades & Co. In his last five years with Loeb, Peter was the Training Director responsible for corporate management and sales training and for preparing the firm's representatives for their various securities licensing examinations. In 1972, he left this firm to establish a training school, State Securities Law Training Institute Inc., providing licensing seminars throughout the country. Peter founded the Institute of Wealth Management Inc., as an out growth of this successful securities licensing training school where over 30,000 stock brokers have received their licenses using seminars and materials originally created by him. The Institute of Wealth Management Inc., conducted public seminars instructing the general public in the fundamentals of how financial markets work. In addition, this company published investment advisory newsletters edited by various New York talk-radio financial commentators including Bill Bresnan, Bob Brinker and John Scheuer.

Concurrently, in conjunction with John Scheuer, noted New York talk-radio financial commentator, Peter began to develop a sophisticated market analysis and exacting timing system, based upon conservative strategies and disciplines, for appreciation and return on investment. As an outgrowth of his original work with Scheuer, Peter established several popular investment newsletters, a portfolio management and investment advisory service, as well as a brokerage firm. All of these were sparked by the evolutionary and continued development of a technical, analytical system to provide research and timing information to meet the requirements for various fundamental investment strategies.

Peter Bruno has been hosting his "Managing Your Money" radio program since 1992, taking and answering listeners questions on various investment topics. Peter has also been interviewed on various financial radio and television programs as to his original form of investment analysis and forecasts.

Peter is the Chairman of the Wall Street Money Management Group, Inc., a registered investment advisor, the Wall Street Money Center Corp., a licensed broker/dealer, and Institute of Wealth Management Inc., an investment analysis firm and newsletter publishing company. He served on the executive committee of various securities industry associations, served as Deputy District Governor and Sight Conservation Chairman for Lion's Club International, and has been a Paul Harris Fellow with the Rotary Club International.

Administrative Manager:

The Director of Safe Harbor Services is Bradley Martin Ramsey.

His management responsibilities include the overseeing of all administrative duties relating to the Safe Harbor Fund LLC. Previous background and responsibilities in the securities industry involved the design and administration of the High Tech Departments of the Wall Street Money Center and their affiliate companies. Brad has extensive background in communications and information technology, website development and multi-media presentations.

Section 11 CONFLICTS OF INTEREST

Subject to the fiduciary duties of the Manager, the Manager has discretion in conducting the Company's business, yet, conflicts of interest on the part of the Manager may result from the grant of such discretionary powers. The Manager is, however, required to act in good faith in the best interest of the Com-

pany at all times.

Investment Conflicts

The Manager, and its Affiliates of the Manager may buy or sell, and sell short or acquire inverse investment securities for their own accounts, as well as for the accounts which they manage for clients or proprietary Companies.

The Company uses an original form of research and proprietary analysis that the Wall Street Money Center Corp. is the only licensed service organization. The Company will execute security trades through the Wall Street Money Center Corp. (the "Center"), an affiliate of the Manager. The Center currently maintains a broker-dealer clearing relationship with Sterne Agee Corp. This firm currently supports a variety of LLC's and will support the Company account. The Center has agreed to execute trades on behalf of the Company at its existing execution costs as are associated with their client accounts.

Other Activities

The Manager and affiliates may engage in other activities, whether or not related to the business of the Company. They may engage in various aspects of the securities business, including without limitation securities portfolio management, financial newsletter publications and the formation and management of other investment Company's, both for their own accounts and of others, and/or their affiliates. Neither the Company nor any Member of the Company shall have the right in or to any independent venture or investment of any other activity or to the revenues or profits derived there from. Any venture and affiliates may invest in securities of the same companies as are purchased by the Company, but the Manager shall not acquire securities from or sell securities to the Company without the prior consent of all the Members.

Brokerage Commissions

Although the brokerage account of the Company will be held by a related broker-dealer having no interest in the Company, turnover of the Company's portfolio, (the amount of trading of securities that will occur in the Company's portfolio), **may be substantial**, and, therefore could reduce the Company's performance.

Section 12 NET ASSET VALUE

The Net Asset Value of the Company shall be calculated as of the end of each month and the last day of each fiscal year based upon unaudited information. The year-end calculations will be audited by an independent firm of certified public accountants only if the Fund's net asset value equals or exceeds \$10 million, otherwise they will be unaudited. The Net Asset Value shall be equal to the difference between:

(a) the value of all assets of the Company, including but not limited to, securities, cash, receivables, prepaid expenses and deferred charges and fixed assets, less appropriate provision for depreciation;

the amount of all liabilities of the Company and all proper reserves with respect thereto, including without limitation, notes and accounts payable and accrued expenses, including, without limitation, the fees payable to and allocations due to the Manager.

The Net Asset Value of each Member's Interest is determined by increasing or decreasing the original Net Asset Value of that Member's Interest by the percentage increase or decrease in Net Asset Value of the Company since the date that Member's Interest was purchased, taking into account redemptions and other distributions made to that Member.

Section 13 LEGAL PROCEEDINGS

There are no material legal proceedings pending or anticipated legal proceedings involving the Manager, any of the funds managed by the Manager or any affiliates.

Section 14 SUMMARY OF THE OPERATING AGREEMENT

The Company is organized as a Florida Limited Liability Company.

The rights and obligations of the Manager and the Members are governed by the Operating Agreement, Exhibit A. No prospective investor should subscribe to Interests without first thoroughly reviewing the Agreement, and may consider obtaining independent legal accounting, investment, and/or business advise or counsel. The following is a summary of certain agreement provisions which may not be covered elsewhere in this memorandum.

Rights and Powers of Members.

The Members of the Company lack participation in management and control of the business of the Company which is necessary in order to insulate the investors.

Reports

Quarterly Reports. All investors of the Company will be furnished with quarterly financial reports. These reports will consist of: A letter from the Manager, unaudited balance sheet and profit and loss statements, and an unaudited investor statement showing all activity in the account along with total interests owned, current net asset, and current market value of the account.

Audits. The Company will have an annual audit for each year that the Company's year-end NAV meets or exceeds \$10 million. The audit will be conducted by a firm of Certified Public Accountants which will also prepare the annual tax reporting information. The Manager may use its best efforts to cause the annual tax reporting information and annual audit report to be furnished to the investors as soon as reasonably practical in the year following the year to which such information relates.

Participation in Costs and Revenues

Profit and loss will be allocated to the Members in the percentage of their capital ownership less the Incentive Allocation. The profits, gains, losses, credits and liquidating and non-liquidating distributions of the Company will be allocated among all the Partners on the basis of their respective percentage of their capital accounts. **See "Incentive Allocation."**

Limits of Liability

The Company is designed so that the liability of the Members should be limited to the amount of their capital contributions to the Company and their share of assets and undistributed profits. No Member shall be liable for any of the losses, debts or obligations of the Company or be required to contribute any capital beyond its Capital Contribution.

Limited Transferability of Interests

Under the Company Agreement, interests cannot be sold, transferred or assigned without approval of the Manager which may require an opinion of counsel at the expense of the transferor. No person may become a Substitute Member without the approval of the Manager of the specific person or entity to be substituted.

Dissolution

The Company will be dissolved by the occurrence of any event that under the laws of the State of Florida causes the dissolution of a Limited Liability Company.

Redemption of Interests

All Members shall have the right to redeem a portion or all of their investment at the next calendar quarterly determination of Net Asset Value. Written notice must be provided by the 15th day of the month preceding the last month of the calendar quarter (approximately 45 days notice).

A check will be issued as soon as the accounting is completed for the respective quarter, which usually occurs on or before the 30th of the month following the end of the quarter. See "**NET ASSET VALUE.**"

Notices.

Notice to Investors, where required under the Company Agreement, runs from the date of mailing, and is binding on the Investors irrespective of whether or not the notice is in fact received by them, and irrespective of their prior death or disability, even if known to the party giving notice. See Section 12.1 of the Company Agreement.

The notice periods provided under the Company Agreement are frequently quite short and the foregoing notice procedures apply to matters which may seriously affect the investor's rights, such as voting on amendments to the Company Agreement and a number of other rights and obligations of an investor.

Powers of the Manager.

Under the Company Agreement, the Manager is given broad powers to exclusively manage Company operations, including the power to enter into agreements, make unsecured advances to the Company, employ personnel and hire attorneys on behalf of the Company. In addition, the Manager has the power to redeem any Member without cause and without notice.

Delegation of Duties.

The Manager is authorized to delegate and subcontract his duties under the Company Agreement to others, including entities related to it provided, however, that any fees paid are determined to be fair and at arms length. See "**COMPENSATION, FEES, AND EXPENSES**" in this Private Placement Memorandum.

Access to Records.

Investors or their accredited representatives shall have access to all records of the Company, after adequate notice, at any reasonable time.

Terms and Dissolution.

The Company may terminate on the occurrence of various events, other than a Final Terminating Event.

Arbitration.

Under this Agreement any dispute or controversy arising out of the agreement shall be settled in Palm Beach County, Florida pursuant to the rules of the American Arbitration Association.

**Section 15
TAX ASPECTS**

The following discussion is a summary of the principal federal income tax considerations that should be taken into account in connection with a purchase of interests. Although principal federal income tax aspects of general application regarding an investment in Interests are discussed below, no attempt has been made to discuss all possible federal income tax considerations regarding the operations or investment in the Company, and no discussion is provided for any state, local, or foreign tax consideration. Moreover, the following discussion has limited application to corporations and is directed primarily to investors that are not domestic corporations or tax-exempt entities. THE ANALYSIS CONTAINED HEREIN IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING, PARTICULARLY SINCE CERTAIN OF THE INCOME TAX CONSEQUENCES OF AN INVESTMENT IN THE Company WILL NOT BE THE SAME FOR ALL INVESTORS. ACCORDINGLY, PROSPECTIVE INVESTORS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS WITH SPECIFIC REFERENCE TO THEIR OWN TAX SITUATIONS.

Status as a Limited Liability Company

The Company is organized as a Limited Liability Company under the Florida Limited Liability Company Act. The availability to each Member of the federal income tax consequences described herein as being associated with an investment in the Company depend upon the treatment of the Company as a Limited Liability Company rather than being taxable as a corporation for federal income tax purposes.

Based upon the existing provisions of the United States Internal Revenue Code (the "Code"), existing Treasury regulations (the "Regulations") thereunder, existing published rulings (the "Rulings") of the Internal Revenue Service (the "IRS") and existing court decisions, the Company believes that it will be classified as a Limited Liability Company for federal income tax purposes and that a Member will be treated as a partner of a partnership for federal income tax purposes.

The classification standards set forth in various revenue rulings constitute the legal basis, in large part, for the Company's belief. The IRS does not give rulings regarding compliance with the applicable Regulations. Moreover, no assurance can be given that the partnership treatment for Federal income tax purposes will not be lost as a result of future changes in applicable law, or due to changes in the manner in which the Company, in fact, is operated, or by the election of its Members, although any changes in the items set forth above will require the vote of more than 50% of the Members, pursuant to the Company Agreement. If the IRS should change the Regulations or its current position with respect to the Regulations in the future, or if new legislation governing the classification of Limited Liability Company for tax purposes were enacted, a more stringent test than that relied upon by the Company might be applicable. There can be no assurance that the Company would continue to qualify as a Limited Liability Company

for federal income tax purposes if the standards for determining whether an entity qualifies as a Limited Liability Company should change.

If the Company is classified as an association taxable as a corporation for federal income tax purposes, and not as a partnership, such classification would have a materially adverse effect upon an investment in Interests. The Company would be subject to federal income taxation at applicable corporate rates. Distributions, if and when made, would be taxed to the Members as dividends or otherwise treated as corporate distributions to interest holders, with the result that most, if not all, of the tax aspects discussed below would be inapplicable to the Members.

Treatment of Company Distributions

Cash distributions in excess of a Member's adjusted basis in his Interests will result in the recognition by such Member of gain (all or a portion of which may be capital gains) in the amount of such excess as though it were gain on the sale or exchange of his Interests.

Transfer of Interests

Because of the limited transferability of the Interests sold pursuant to this offering, further discussion of the tax effects of sale or transfer are not discussed. However, basis adjustments upon a sale of Interests are complex and if any Members should be allowed to transfer their Interest pursuant to a permitted exemption, they should consult with their tax advisor prior to completion of the transaction.

Liquidation of the Company

The dissolution and liquidation of the Company will result in the distribution to the Members, including Members of record, of any assets remaining after payment of or provisions for the Company's liabilities. If a Member receives money in excess of the basis of his Interests, such excess generally will be taxable as ordinary income.

Tax Returns and Possible Audit

Although a Limited Liability Company generally is not required to pay any federal tax, tax audits are conducted and the tax treatment of Limited Liability Company items are determined at the Company level.

Potential Changes in Tax Laws

The entire area of tax legislation is constantly changing and subject to Congressional review and modification. Several proposals are presently being considered by Congress. It is impossible at this time to determine what effect, if any, these proposed changes in the tax laws would have upon the Members. However, these potential changes underscore the fact that tax laws are subject to frequent modification, some of which may be retroactive. In addition, it should be noted that the status of the Limited Liability Company is based upon a series of revenue rulings which are interpretations of the Internal Revenue Code by the Internal Revenue Service. Discussions have been held in Congress with regard to a review of the status of Limited Liability Companies. Should new requirements occur, there can be no certainty that the Company could comply.

Section 16 ADDITIONAL INFORMATION

The Manager will make every effort to furnish to any qualified prospective investor or his authorized representative, any additional information, or opportunity for inquiry, concerning the terms and conditions of this offering, including information requested to verify the accuracy of the information contained in this Memorandum, or otherwise furnished the prospective investor or his representative. If such information is requested, contact the Manager at the following address:

Institute of Wealth Management Inc.
2385 Executive Center Drive, Suite 100
Boca Raton FL 33431

Telephone: 561-962-2850
E-mail: AllFunds@aol.com

END OF PRIVATE PLACEMENT MEMORANDUM

PB/AL 10-07-09
PB/BR 0-1-21-10
PB/BR 08-24-10