



City of Marietta

Motion Signature

205 Lawrence Street
Post Office Box 609
Marietta, Georgia 30061

20081024

Motion approving a contract with Consulting Services Group, LLC for services to the City/BLW Defined Benefit Pension Plan as recommended by the City/BLW Pension Board.

Date: 9/10/2008

William B. Dunaway, Mayor

Stephanie Guy, City Clerk



TO: Personnel & Insurance Committee Members
THRU: William F. Bruton, Jr., City Manager
FROM: Fran Diedrich, Human Resources Director *FD*
DATE: August 27, 2008
SUBJECT: Agreement for Investment Advisory
Consulting Services Group, LLC

Issue: The City/BLW Pension Board has been reviewing options to insure the long term stability of the Consolidated Pension Plan. The need to obtain the best investment returns for the plan was a primary consideration. A national search was made by the Board to review investment consultants. After a thorough review, it was determined that Consulting Services Group, LLC (CSG) would best meet the Board's requirements

Financial Consideration: Every effort has been made to obtain reasonable costs for services. Fees to the Consolidated Pension Plan for CSG's services will be 10 basis points assessed against the value of the account on a quarterly basis subject to a \$70,000.00 annual minimum fee.

Recommendation: The City/BLW Pension Board is recommending approval of CSG to provide client investment advisory services for the City/BLW Consolidated Pension Plan.



Form ADV – Part II

08.2008

FORM ADV

Part II – Page 1

Uniform Application for Investment Adviser Registration

OMB APPROVAL	
OMB Number	3235-0049
Expires	February 28, 2011
Estimated average burden hours per response	4 07

Name of Investment Adviser Consulting Services Group, LLC					
Address 6075 Poplar Avenue, Suite 700	(Number and Street)	(City) Memphis	(State) Tennessee	(Zip Code) 38119	Area Code Telephone Number 901-761-8080

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.

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(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.

Applicant: Consulting Services Group, LLC	SEC File Number 801- 36806	Date 08/13/2008
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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 instruction below.)

Applicant:		
<input checked="" type="checkbox"/>	(1) Provides investment supervisory services	15%
<input type="checkbox"/>	(2) Manages investment advisory accounts not involving investment supervisory services	%
<input checked="" type="checkbox"/>	(3) Furnishes investment advice through consultations not included in either service described above	85%
<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.)

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 checked="" type="checkbox"/> (2) Hourly charges | <input checked="" type="checkbox"/> (5) Commissions |
| <input checked="" type="checkbox"/> (3) Fixed fees (not including subscription fees) | <input checked="" 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 checked="" 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 checked="" type="checkbox"/> D. Pension and profit sharing plans | |

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

Applicant Consulting Services Group, LLC	SEC File Number 801-36806	Date 08/13/2008
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3. Types of Investments. Applicant offers advice on the following: (check those that apply)

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

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

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

- (1) Charting
- (2) Fundamental
- (3) Technical
- (4) Cyclical
- (5) Other (explain on Schedule F)

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

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

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

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

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

Applicant Consulting Services Group, LLC	SEC File Number 801-36806	Date 08/13/2008
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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
- year of birth
- formal education after high school
- 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 checked="" type="checkbox"/> (1) broker-dealer	<input type="checkbox"/> (7) accounting firm
<input type="checkbox"/> (2) investment company	<input type="checkbox"/> (8) law firm
<input checked="" 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 checked="" type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant	<input type="checkbox"/> (11) real estate broker or dealer
<input type="checkbox"/> (6) banking or thrift institution	<input type="checkbox"/> (12) entity that creates or packages limited partnerships

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

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

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

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

Applicant	SFC File Number	Date
Consulting Services Group, LLC	801-36806	08/13/2008

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)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

10. Conditions for Managing Accounts. Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services and impose a minimum dollar value of assets or other conditions for starting or maintaining an account?

Yes No

(If yes, describe on Schedule F.)

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

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

See Schedule F for details.

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

See Schedule F for details.

Applicant Consulting Services Group, LLC	SEC File Number 801-36806	Date 08/13/2008
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12. Investment or Brokerage Discretion.

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

- B. Does applicant or a related person suggest brokers to clients? Yes No

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

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

13. Additional Compensation.

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

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

(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 (unless applicant is registered or registering only with the Securities and Exchange Commission); or
- requires prepayment of more than \$500 in fees per client and 6 or more months in advance

Has applicant provided a Schedule G balance sheet? Yes No

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

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

Applicant: Consulting Services Group, LLC	SEC File Number: 801- 36806	Date: 08/13/2008
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(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: Consulting Services Group, LLC		IRS Empl. Ident. No.: -
Item of Form (identify)	Answer	

<u>Item 1.A.(1), (3)</u>	<p>The primary services offered by CSG include: (1) creation of written goals and investment guidelines for each client and the money managers hired by the client; (2) asset allocation studies to determine investment strategies for achieving the stated written goals for each client; (3) money manager searches and selection advice for implementing the investment strategy; (4) periodic performance monitoring and evaluation to ensure that selected money managers remain true to assigned client mandates and that each strategy remains in line with the particular client's investment guidelines; (5) special projects as requested by a client; and (6) management of single investor investment entities on a discretionary basis. CSG provides these investment consultation and management services to institutional clients, including public and private retirement plans, foundations, endowments, and high net worth individuals.</p> <p>CSG's fees are negotiated with each client depending upon the level of service needed, the size of the account, the frequency of reports and meetings, the difficulty of obtaining the necessary information, and travel and time expected to deliver the services. Fees are generally billed quarterly and may be in arrears depending upon the particular client.</p> <p>Fees may be fixed dollar amounts or may be expressed as a percentage of assets. CSG's standard fixed fees generally range from a minimum of \$50,000 per annum and up. Asset based fees range from .05% to .80% depending upon the particular client's portfolio size and specific service needs.</p> <p>Performance-based fees are used only with clients who satisfy the requirements of Rule 205-3 of the Investment Advisers Act of 1940 and who negotiate such fees. In general, when a performance based fee has been negotiated, CSG receives a base fee and also a performance based fee if certain performance goals are satisfied. The performance goals generally are based on exceeding a benchmark by some amount.</p> <p>Client investment consultation contracts typically provide for termination within thirty (30) days prior written notice by the client or CSG. In the event of termination, transactions by money managers for the account that were initiated prior to the notice of termination are consummated. CSG is entitled to fees earned through the date of termination. All acts completed by CSG pursuant to an investment consultation contract prior to the termination date are fully binding upon the client and upon the client's successors and assigns. The client's obligations to pay all expenses of the client arising under the contract prior to the termination date survive termination of the contract. Neither party, without the written consent of the other, may assign any of the rights or obligations under the investment consultation contract.</p>
<u>Item 3.K.3.</u>	<p>CSG advises clients on hedge funds which are typically offered through limited partnerships or limited liability companies. Hedge fund redemptions are usually limited to a quarter end with at least thirty to ninety days advance notice. In some instances, redemptions are even more restricted. Hedge funds are usually comprised of long or short securities and other financial instruments depending upon the strategy employed by the particular hedge fund. Some hedge funds may employ leverage from time to time.</p>

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

Applicant: Consulting Services Group, LLC	SEC File Number: 801- 36806	Date: 08/13/2008
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(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: Consulting Services Group, LLC	IRS Empl. Ident. No.: -
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Item of Form (identify)	Answer
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<u>Item 3.L.</u>	<p>CSG also advises on private equity funds and direct private investments. These types of private investments typically have very limited liquidity features.</p> <p>CSG provides investment consultation to Crystal Capital Partners, L.L.C. regarding its fund of hedge fund products which include: Emerald International Fund, Sapphire International Fund, Topaz Master Fund, L.P., Topaz Institutional Fund, Ltd. and Topaz Fund, L.P. as of June 26, 2008, the placement agreement previously in effect between Crystal Capital Partners, L.L.C. and Trading Services Group, Inc. (CSG's related broker-dealer) has been terminated.</p> <p>In addition to the advice CSG offers regarding asset styles and allocation percentages to be used in an investment strategy, CSG also provides advice on selecting professional money managers for clients to hire to implement a client's determined investment program.</p>
<u>Item 4.A.5.</u>	<p>CSG emphasizes diversification as well as downside risk measures when evaluating securities and strategies for inclusion in an investment portfolio. Investment managers are evaluated upon relative performance such as peer group and market comparisons. CSG maintains a proprietary database of investment manager and investment market results that is used in conjunction with numerous commercially available databases such as Frank Russell Peer Universes, Bloomberg and others. CSG compiles specific client information from bank custodian and brokerage statements and utilizes this information as a component of client analysis in the preparation of charts and graphs to assist in the account review process with clients.</p>
<u>Item 4.B.8.</u>	<p>CSG relies primarily on internally generated research when making investment recommendations. CSG's principal sources of information include publicly available information as well as subscription databases regarding money managers; public filings of issuers and money managers with governmental authorities; annual reports; industry data; interactions with money managers via the telephone, web or face-to-face meetings. In addition, trade publications, charts and other statistical material are furnished by outside vendors.</p>
<u>Item 5</u>	<p>CSG requires each of its consultants to hold an undergraduate degree. The firm encourages, but does not require, additional continuing education such as a masters degree or an industry designation such as the CFA, CFP or CIMA. All persons who will have functions or duties relating to client consultations are required to have a combination of educational, investment and business experience such that their abilities enhance CSG's provision of services to its clients.</p> <p>Additionally, most consultants are dually employed as registered representatives with CSG's related introducing broker-dealer, Trading Services Group, Inc. ("TSG"). In such capacity, consultants are required to pass certain standard industry examinations such as the Series 7, 63, 65 or 66 in order to be registered with TSG. Further, as employees of TSG, consultants are required to engage in firm and regulatory element continuing education.</p>

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

Applicant: Consulting Services Group, LLC	SEC File Number: 801- 36806	Date: 08/13/2008
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(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: Consulting Services Group, LLC	IRS Empl. Ident. No.: -
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Item of Form (identify)	Answer
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Item 6	<p><u>Fred J. Hodges, Chairman of the Board</u> - born July 26, 1938. At CSG Mr. Hodges specializes in client relationship management for various CSG institutional and private clients. Mr. Hodges has been in the investment business since 1970 beginning his career as a securities broker specializing in fixed income strategies. Prior to the formation of CSG in 1988, Mr. Hodges worked in the Memphis office of the Consulting Services Division of E.F. Hutton and also served on the advisory board of that firm. Mr. Hodges is a frequent lecturer on various subjects involving consulting and asset management. Mr. Hodges earned his Bachelor of Science degree from the University of Memphis and attended graduate school at the University of Memphis on a fellowship.</p> <p><u>E. Lee Giovannetti, Chief Executive Officer</u> - born September 13, 1956. At CSG Mr. Giovannetti specializes in manager evaluation and research and development of new investment strategies for CSG's institutional and private clients. Mr. Giovannetti has been in the investment business since 1978 when he was associated with Merrill Lynch & Company. Prior to the formation of CSG in 1988, he was a Vice President with E.F. Hutton & Company in that firm's Consulting Services Division. Mr. Giovannetti earned his Bachelor of Science Degree from the University of Tennessee.</p> <p><u>Brian L. Jones, President</u> - born December 11, 1963. At CSG Mr. Jones manages CSG's traditional consulting practice and works closely with foundations/endowments, private families, and pension clients. Prior to joining CSG in 1990 as a Financial Analyst, Mr. Jones was a part-time faculty member for the Department of Economics at the University of Memphis. In addition, Mr. Jones worked in the Tennessee State Capitol for the Senate Finance Committee and for the United States House of Representatives for the House Ways and Means Committee. Mr. Jones graduated from the University of Memphis Graduate School where he earned a Master of Business Administration in Finance. Mr. Jones earned a Bachelor of Business Administration in Economics magna cum laude from the University of Memphis.</p> <p><u>Robert A. Longfield, Jr., CFA, Executive Vice President / Senior Consultant</u> - born August 29, 1967. At CSG Mr. Longfield primarily works closely with foundations/endowments, private families and pension clients. Mr. Longfield joined CSG in 1989 as a Financial Analyst and transitioned into the role of consultant in 1992. In 1997, Mr. Longfield became a Senior Consultant. Mr. Longfield earned the Chartered Financial Analyst (CFA) designation in 1993 after completing the three-year program of self-study and examinations. Mr. Longfield also serves on the board of directors of BioD, LLC, a local biomedical firm. Mr. Longfield earned his Bachelor of Business Administration in Finance magna cum laude with a minor in Economics.</p> <p><u>Kurt A. Voldeng, CAIA, Executive Vice President / Senior Consultant</u> - born April 17, 1967. At CSG Mr. Voldeng manages the Alternative Investment Strategies division of the firm and as such is responsible for the structure, evaluation, monitoring and servicing of non-traditional investment assets for institutional and individual clients. Mr. Voldeng joined CSG in 1990 and serves on the firm's Executive Committee. Prior to joining CSG, Mr. Voldeng worked with the Corporate Finance Department of Union Planters National Bank as an Assistant to the Corporate Trust vice-presidents. Mr. Voldeng earned his Master of Business Administration with a</p>
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**Schedule F of
Form ADV
Continuation Sheet for Form
ADV Part II**

Applicant:	SEC File Number:	Date:
Consulting Services Group, LLC	801- 36806	08/13/2008

(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: Consulting Services Group, LLC	IRS Empl. Ident. No.: -
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Item of Form (identify)	Answer
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Item 8.C.1.	<p>concentration in Finance from the University of Memphis. Mr. Voldeng earned his Bachelor of Business Administration in Finance cum laude from the University of Memphis.</p> <p><u>Joe D. Meals, Executive Vice President</u> - born February 2, 1955. At CSG Mr. Meals specializes in client relationship management for various CSG institutional and private clients. From 1977 until 1984, Mr. Meals headed the Asset Liability Management efforts for two major Memphis banks. Mr. Meals has been in the investment business since 1984 when he was associated with E.F. Hutton as an institutional salesman specializing in fixed income strategies and earned membership in the Director's Advisory Committee at that firm. Mr. Meals joined CSG in 1988. Mr. Meals earned his Bachelor of Science Degree in Economics and Business Administration from Rhodes College.</p> <p><u>Miles S. Fortas, CPA, Executive Vice President / Chief Financial Officer</u> - born March 2, 1971. Mr. Fortas is responsible for the financial reporting process of CSG as well as administration oversight, compensation and operational management. Mr. Fortas joined CSG in 1998 and prior to that time worked as a Senior Audit Engagement Supervisor in Ernst & Young's Assurance and Advisory Business Services practice. Mr. Fortas also serves on the board of directors of Home Therapy Specialists, Inc., a Texas based company that provides home therapy solutions. Mr. Fortas earned his Bachelor of Arts in Business Administration cum laude and a Master of Science in Accountancy from Rhodes College.</p> <p><u>Edward R. Balsmann, General Counsel / Chief Compliance Officer</u> - born October 24, 1972. Mr. Balsmann is responsible for all legal and regulatory compliance matters at CSG and its related entities. Mr. Balsmann joined CSG in 2007. In 1999, Mr. Balsmann worked as a Staff Attorney for the State of Arkansas Securities Department. Mr. Balsmann joined Morgan Keegan & Company, Inc. in 2000 as Compliance Attorney in that firm's Equity Capital Markets Division. In 2002, Mr. Balsmann was promoted to Deputy General Counsel--Regulatory Affairs/First Vice President at Morgan Keegan where he was responsible for legal and compliance matters throughout the firm with specialties in equity, investment management, investment companies and SRO and SEC regulatory compliance. From February 2004 through February 2007, Mr. Balsmann was an associate attorney at law in the Corporate/Securities section of Baker, Donelson, Bearman, Caldwell & Berkowitz, PC in Memphis, Tennessee where he specialized in broker-dealer, investment adviser and investment company legal and regulatory matters as well as the formation, offering and regulation of hedge funds, international unit investment trusts and other private equity vehicles. Mr. Balsmann earned his Bachelor of Science in Business Administration cum laude in Finance from Southeast Missouri State University and his Doctor of Jurisprudence from The University of Mississippi.</p> <p>Trading Services Group, Inc. ("TSG") is a wholly-owned subsidiary of CSG and functions as an introducing broker-dealer. TSG offers trade executions and other services to CSG clients as well as money managers retained by clients that choose to utilize its services. Commissions and other revenues earned by TSG may reduce the fees charged by CSG for its services. (see Item 1.A.) The utilization of TSG by a CSG client potentially may cause an increase in total compensation received by CSG</p>
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**Schedule F of
Form ADV
Continuation Sheet for Form
ADV Part II**

Applicant:	SEC File Number:	Date:
Consulting Services Group, LLC	801- 36806	08/13/2008

(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: Consulting Services Group, LLC		IRS Empl. Ident. No.: -
Item of Form (identify)	Answer	
	<p>in excess of stated consulting fees (due to the generation of commissions and other fees at TSG related to investments by the particular client). For those CSG clients participating in commission/fee recapture through TSG, the amount of commissions and other fees received for the particular clients' benefit are tracked internally. CSG Client periodic invoices also reflect the recapture amounts that have been recorded for the benefit of the client and used to offset the CSG consulting fee.</p> <p>Commission rates on equity trades range from one to four cents per share subject to a minimum ticket charge of \$20.00 as negotiated by each client or money manager. Rates will vary by size and frequency of trade. Commission rates through electronic trading platform (commonly referred to as an "ECN") providers are two cents per share or less. As with traditional trading, TSG in its capacity as an introducing broker-dealer must share a percentage of the commission rate with the ECN and the applicable clearing firm. Since ECN commission rates are nearly half of traditional trading commission rates of four cents or higher per share, ECN trades are not included in TSG's commission recapture programs. The discounted commission rate provided by an ECN is disclosed up-front at the time of the trade settlement rather than through the use of a commission rebate or offset arrangement.</p> <p>Money managers are informed of those CSG clients that elect to participate in the commission recapture program through TSG and are requested, but not required, to trade through TSG only when the applicable money manager determines that TSG provides a venue for best execution for the client.</p> <p>Money managers may also utilize TSG to execute transactions such as "block trades" or other activities that are not related to CSG's clients. These types of transactions do not result in a reduction of CSG client consulting fees.</p> <p>CSG recognizes that its relationship with TSG may create potential conflicts of interest including the items listed below. CSG takes the potential for conflicts of interest very seriously and continually monitors for these types of potential conflicts. CSG has developed a Compliance Committee to aid in the recognition and resolution of potential and real conflicts of interest. In addition, the firm monitors the dollar level of CSG client assets managed by investment managers that trade through TSG versus the level of trading commissions generated at TSG by these investment managers. The firm utilizes a client supervision report to monitor and review consultants' investment recommendations to clients which provides additional oversight regarding the selection of investment managers and whether relationships exist between such investment managers and TSG.</p> <ol style="list-style-type: none"> (1) CSG may have an incentive to recommend managers or investment funds that trade through TSG. (2) CSG may have an incentive to recommend an investment fund with which TSG has a selling agreement providing for a sharing of the manager's fee with TSG. (3) CSG may have an incentive to recommend money managers that trade through an ECN relationship introduced to the money manager by TSG. 	

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

Applicant:	SEC File Number:	Date:
Consulting Services Group, LLC	801- 36806	08/13/2008

(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: Consulting Services Group, LLC	IRS Empl. Ident. No.: -
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	<p>(4) CSG may have an incentive to recommend an active trading strategy or a money manager with an active trading strategy in order for more commissions to be generated through TSG.</p> <p>(5) CSG may have an incentive not to recommend the termination of a money manager that trades through TSG or through an ECN relationship introduced by TSG.</p> <p>(6) CSG recognizes that money managers may direct trades to TSG for clients with no relationship with CSG as a means of gaining favor with CSG.</p> <p>(7) CSG may have an incentive not to recommend a commission recapture program offered by an unaffiliated broker.</p> <p>(8) CSG may have an incentive to not recommend broker-dealers that could provide best execution on client transactions due to its financial interest in its affiliated broker-dealer, TSG. The generation of commissions by TSG (as a result of client referrals from CSG) provides compensation to CSG through its ownership of TSG.</p> <p>(9) CSG may have an incentive to recommend mutual fund companies that pay 12b-1 fees to TSG on assets that CSG clients invest in the applicable funds. (In addition to the fees a client pays CSG for consultation services, with respect to a client's investments in mutual funds, a client pays an additional fee on those investments since the mutual funds also pay advisory fees to the various mutual fund investment advisers. Such fees are more fully described in the relevant prospectus that accompanies any mutual fund recommendation.)</p>
<u>Items 8.C.(3), (5), D.</u>	<p>Centennial Partners, LLC ("Centennial") is a related person of CSG due to the common ownership of D. Canale & Co. and its president, Michael A. Robinson, in both entities. D. Canale & Co. and Michael A. Robinson own 27.8829% and 5.835% of Centennial, respectively, and 32.5% and 20% of CSG, respectively. The ownership in CSG of D. Canale & Co. and Michael A. Robinson increased during January 2008 as D. Canale & Co. and Michael A. Robinson facilitated the retirement of the financial interests of two long time individual members of CSG. Centennial is an SEC registered investment adviser as well as a commodity pool operator and commodity trading advisor registered with the National Futures Association. Centennial serves as general partner and manages several investment partnerships including: Centennial Absolute Return Fund, L.P., Centennial Absolute Return Fund, Ltd., Centennial Global Macro Fund, LP, Centennial Global Macro Fund, Ltd., Centennial Opportunities Master Fund, Ltd., Birmingham Partners, LLC, Heritage Hedged Equity Fund, Ltd., Oakwood Partners Fund, LLC and Oakwood Partners Fund, Ltd. (the "Centennial Funds"). A solicitation agreement is in place between Centennial and CSG's other related person, Trading Services Group, Inc. (a wholly owned subsidiary of CSG) regarding the Centennial Funds and CSG clients may be solicited for investment in Centennial Funds by those CSG employees that are dually registered with Trading Services Group, Inc. As such, Trading Services Group, Inc. will receive solicitation fees for referred client investors in Centennial Funds. Neither D. Canale & Co. nor Michael A. Robinson are involved in the day-to-day management</p>

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Continuation Sheet for Form
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I. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Consulting Services Group, LLC	IRS Empl. Ident. No.: -
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<u>Item 9.A., B., E.</u>	<p>of either CSG or Centennial.</p> <p>CSG has adopted a Code of Ethics (the "Code") that emphasizes the high standards of conduct that the firm has always sought to observe. The Code consists of general principles that are understood to govern the personal investment activities of the firm's personnel, in particular its access persons, CSG's fiduciary duty to clients, and the obligation of CSG's personnel to uphold that fundamental duty. The Code states that the interests of CSG's clients come first. The Code describes CSG's policies and procedures pertaining to personal securities transactions and the giving an accepting of gifts and entertainment.</p> <p>The Code requires each CSG access person to report:</p> <ol style="list-style-type: none"> (1) at the time the employee is hired and on an annual basis thereafter, all securities accounts and "reportable securities" in which the access person has a beneficial ownership; and (2) on a quarterly basis, all "reportable securities" transactions in which the access person has a beneficial ownership. <p>The Code defines "reportable securities" in accordance with the Investment Advisers Act rules pertaining to codes of ethics. The Code requires CSG access persons to obtain the consent of CSG's Chief Compliance Officer prior to:</p> <ol style="list-style-type: none"> (1) executing any transactions in securities in an initial public offering or in a limited offering (e.g., private placements); and (2) opening a new securities account. <p>On an annual basis, all CSG employees are required to execute an acknowledgement of their duty of loyalty to the firm's clients and the placement of client interests first and foremost before their own. By signing this document, each employee also acknowledges that he/she will not participate in insider trading and will report his/her trading activity and holdings as applicable.</p> <p>CSG's affiliated broker-dealer, TSG, has in place selling agreements with various hedge fund managers, private placement funds (collectively, "Private Funds"), and mutual fund companies that compensate TSG for any assets that CSG clients invest in those particular products (the mutual fund arrangements relate to 12b-1 distribution fees). Client referrals to Private Funds subject to a selling agreement will result in the payment of a solicitation fee to TSG. Clients investing in these Private Funds should receive a solicitation disclosure form prior to making an investment. If the referred Client participates in a commission/fee recapture program at TSG, such fees received from a Private Fund will be rebated to the Client at the contractually agreed upon rate (for ERISA clients, 100% of such fees will be rebated). Such rebate amounts will be reflected on the Client's CSG periodic invoice as an offset against consulting fees or in a direct payment to the Client. For more information regarding these relationships, please see additional data within this document at the heading <u>Financial Disclosures</u>.</p> <p>Some money managers recommended by CSG have voluntarily chosen, and may</p>
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Item 9.D.	<p>continue to choose, to utilize TSG for securities transactions as part of the commission recapture program that is offered to certain CSG clients. Through its ownership of TSG, CSG may receive a financial benefit when a money manager utilizes TSG to execute a client's securities transactions.</p> <p>Usage of TSG by a money manager is always voluntary, not directed by CSG, and the determination of best execution remains at the discretion of the particular money manager.</p> <p>CSG's related non-profit charity, The AIM Charity, Inc. ("AIM"), holds an annual educational conference (the "Conference") including a golf tournament and barbecue to which clients and various investment managers are invited to participate. Various investment managers pay sponsorship fees to participate and such managers do have access to CSG clients attending the Conference. AIM's (and indirectly CSG) Conference expenses are thus reduced by such investment manager sponsorships. A potential conflict of interest exists that CSG or its employees may be more likely to recommend those investment managers that donate money to AIM. A list of investment manager sponsor is available upon request. Please contact the firm's CCO at 901-761-8080 for a copy of this information.</p> <p>CSG's Compliance Department reviews the money manager allocations attributable to the firm's clients to monitor for potential conflicts of interest existing between a money manager's usage of TSG and the frequency of such money manager's allocation to CSG clients.</p> <p>CSG and its related persons may have invested, and may continue to invest, their personal funds in investments similar to those recommended by CSG or money managers recommended by CSG for the management of client assets. CSG's Code serves to limit conflicts of interest in these cases through transaction monitoring.</p> <p>CSG employees should not accept gifts or other gratuities from clients or individuals seeking to conduct business with the firm without prior authorization from the Chief Compliance Officer or Chief Operating Officer. Gifts and gratuities of a value not exceeding \$100 do not require prior authorization.</p> <p>Employees are not to divulge or act upon any material, non-public information, as defined under relevant securities laws and in the firm's Code.</p> <p>Clients or prospective clients may obtain a copy of CSG's Code of Ethics by contacting the firm by email at clientservices@csgllc.com or telephone at (901) 761-8080.</p> <p>Please refer to disclosure at Items 8.C.(3), (5), D. CSG clients referred to Centennial for investments provide acknowledgement through signed solicitation disclosure statements evidencing the relationship between CSG's related broker-dealer, TSG, and Centennial. Additional information regarding such financial relationships is set forth within this document at the heading <u>Financial Disclosures</u>.</p>
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Applicant: Consulting Services Group, LLC	SEC File Number: 801- 36806	Date: 08/13/2008
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<u>Item 11.A.</u>	<p>Client reviews are tailored to the desired frequency of the particular client and occur on either a monthly or quarterly basis. Generally, client reviews entail a comparison of performance to market and peer group benchmarks as well as established goals and adherence to risk tolerance guidelines. Other factors subject to review may include brokerage allocation, proxy voting, securities overlap among money managers, or investment style adherence. Factors which may trigger a special review include, but are not limited to, investment committee meeting dates, market conditions, internal events such as a merger or sale, or changes in investment objectives such as underlying investor demographics or inheritance issues.</p> <p>The firm's seventeen consultants are principally responsible for the investment reviews of the clients assigned to the particular consultant. Each consultant reviews from six to twenty account relationships. Consultants are supported by teams which include other consultants or principals, analysts and trading personnel. Consultants, and their support staff, are provided with on-going training and are encouraged to enroll in continuing education such as CFA, CFP, CIMA and MBA programs for which CSG provides financial assistance.</p>
<u>Item 11.B.</u>	<p>Client reports are custom designed to meet individual client needs and preferences. Reports are prepared on a monthly or quarterly basis as provided for in the relevant client contract. Special reports are produced on an as-requested basis under terms provided for in the relevant client contract.</p>
<u>Item 12.A.1.</u>	<p>With regard to those portfolios over which CSG exercises discretion, CSG makes the determination of which money managers to hire and fire without specific client consent. Portfolios are managed to conform to the particular client's investment policy. The principals and associated persons of CSG shall have no right to withdraw either cash or securities from a client's account.</p>
<u>Item 12.A.2.</u>	<p>With regard to those portfolios over which CSG exercises discretion, CSG makes the determination of the amount of securities to be bought or sold based upon the particular client's investment policy.</p>
<u>Item 12.B.</u>	<p>CSG's affiliated broker-dealer, TSG, may from time to time suggest broker-dealers for transaction services. The criteria for suggesting a broker-dealer include reasonableness of commissions and other costs of trading, ability to facilitate trades, access to client records, computer trading support, access to various execution venues, block trading capacity, operational considerations and the ability to execute sophisticated financial transactions. CSG clients may incur additional trading costs through the utilization of TSG that may or may not be incurred at, or incurred at a lower negotiated rate, from other non-affiliated broker-dealers. CSG clients are always free to utilize commission recapture programs offered by broker-dealers not affiliated with CSG.</p>
<u>Item 13.A.</u>	<p>CSG's affiliated broker-dealer, TSG, has in place selling agreements with various hedge fund managers, private placement funds (collectively, "Private Funds"), and mutual fund companies that compensate TSG for any assets that CSG clients invest in those particular products (the mutual fund arrangements relate to 12b-1 distribution fees). Client referrals to Private Funds subject to a selling agreement will result in the</p>

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<p>Item 13.B.</p> <p><u>Privacy Notice</u></p>	<p>payment of a solicitation fee to TSG. Clients investing in these Private Funds should receive a solicitation disclosure form prior to making an investment. If the referred Client participates in a commission/fee recapture program at TSG, such fees received from a Private Fund will be rebated to the Client at the contractually agreed upon rate (for ERISA clients, 100% of such fees will be rebated). Such rebate amounts will be reflected on the Client's CSG periodic invoice as an offset against consulting fees or in a direct payment to the Client. For more information regarding these relationships, please see additional data within this document at the heading <u>Financial Disclosures</u>.</p> <p>Some money managers recommended by CSG have voluntarily chosen, and may continue to choose, to utilize TSG for securities transactions as part of the commission recapture program that is offered to certain CSG clients. Through its ownership of TSG, CSG may receive a financial benefit when a money manager utilizes TSG to execute a client's securities transactions.</p> <p>Usage of TSG by a money manager is always voluntary, not directed by CSG, and the determination of best execution remains at the discretion of the particular money manager.</p> <p>CSG's Compliance Department reviews the money manager allocations attributable to the firm's clients to monitor for potential conflicts of interest existing between a money manager's usage of TSG and the frequency of such money manager's allocation to CSG clients.</p> <p>Pursuant to Rule 206(4)-3 of the Investment Advisers Act of 1940 (the "Rule"), CSG may, from time to time, enter into finders fee arrangements whereby an entity or individual agrees to act as a solicitor. If a client is introduced to CSG by an unaffiliated solicitor, CSG may pay that solicitor a referral fee in accordance with the requirements of the Rule and the respective federal and state laws governing same. Any such referral fee shall be paid solely from CSG's investment advisory or consultation fee and shall not result in any additional charge to the client. If the client is introduced to CSG by an unaffiliated solicitor, the solicitor shall provide the client with a copy of CSG's then current Form ADV Part II and a copy of the disclosure statement between CSG and the solicitor containing the terms and conditions of the solicitation arrangement, including compensation. Under no circumstances, nor at any time, is a referred client charged a fee greater than the fee that would have been charged if the client came directly to CSG without the assistance of a solicitor.</p> <p><u>Privacy Notice</u></p> <p>CSG's policy is to collect only information necessary or relevant to its business and use only legitimate means to collect this information. All non-public personal information collected about a client consists of information obtained from and pursuant to the investment advisory contract entered into with CSG; information as to a client's transactions and activities with CSG; and subsequent communications between the parties. CSG does not disclose any non-public personal information about its clients or former clients to anyone except for servicing and processing</p>
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	<p>transactions and as required by law. CSG restricts access to non-public personal information about clients to those employees and third party providers with a legitimate business need for the information. CSG maintains security practices as well as physical, electronic, and procedural safeguards to guard client non-public personal information.</p> <p>Clients may obtain a complete copy of CSG's Privacy Notice by contacting the firm via email at clientservices@csgllc.com or via telephone on (901) 761-8080.</p>
<u>Proxy Voting Policy</u>	<p><u>Proxy Voting Policy</u></p> <p>CSG does not vote client proxies. Proxies for securities held in accounts are provided to each client the client's respective money manager or broker/custodian for actual voting.</p>
<u>Business Continuity</u>	<p><u>Business Continuity</u></p> <p>CSG has a business continuity plan in place that provides for meeting the goal of recovering its critical business functions in the event of a disaster affecting its headquarters office. Critical business functions include: communicating with clients; monitoring client money manager selections; performing investment research and analysis; accessing key network based files; and regulatory matters. Depending upon the nature and severity of the disaster, CSG's critical and internet-based business applications will be made available within the first twenty-four (24) hours following a disaster.</p>
<u>Financial Disclosures</u>	<p>The following financial disclosures include various selling agreements, placement agreements and referral agreements entered into by CSG or its affiliated broker-dealer, TSG. In addition, these financial disclosures depict investment managers that engage in trading activities through TSG. Commissions and fees received by TSG from these various relationships may be rebated or recaptured to those CSG clients participating in a commission/fee recapture program at TSG.</p> <p>TSG has in place selling agreements with various hedge fund managers, private placement funds (collectively, "Private Funds"), and mutual fund companies that compensate TSG for any assets that CSG clients invest in those particular products (the mutual fund arrangements relate to 12b-1 distribution fees). Client referrals to Private Funds subject to a selling agreement will result in the payment of a solicitation fee to TSG. Clients investing in these Private Funds should receive a solicitation disclosure form prior to making an investment. If the referred Client participates in a commission/fee recapture program at TSG, such fees received from a Private Fund will be rebated to the Client at the contractually agreed upon rate (for ERISA clients, 100% of such fees will be rebated). Such rebate amounts will be reflected on the Client's CSG periodic invoice as an offset against consulting fees or in a direct payment to the Client.</p> <p>Mutual Fund and Annuity Selling Agreements <i>CSG's related broker-dealer, TSG, may receive 12b-1 fees from these mutual fund companies or distributors for the distribution of their mutual funds and annuities to CSG clients invested in such funds through TSG.</i></p>

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Current prospectuses of each respective mutual fund provide details regarding 12b-1 fees. Such 12b-1 fees may be a component of a client commission recapture program.

American Funds*	ABN AMRO Services*
Alliance Fund Distributors, Inc.	Calamos Financial Services, Inc.*
Calvert Distributors, Inc.*	Davis Distributors, LLC*
Eaton Vance Distributors, Inc.*	Flagship Funds Inc.
ING*	Integrity Funds Services, Inc.*
Mutual Funds Service Company*	Pacific Life
PIMCO*	Quasar Distributors, LLC
The Gateway Trust*	

**12b-1 fees received in 2008.*

Private Fund | Hedge Fund | Hedge Fund of Funds Placement Agreements

CSG's related broker-dealer, TSG, receives a solicitation fee for investors placed in the funds depicted below. Such solicitation fee may be a component of a client commission recapture program. The listing of this information does not constitute an offer to sell nor a solicitation to buy any of the following private funds. Client referrals to these funds will result in the payment of a solicitation fee to TSG. Clients investing in these funds should receive a solicitation disclosure form prior to making an investment. If the referred Client participates in a commission/fee recapture program at TSG, such fees will be rebated to the client at the contractually agreed upon rate (for ERISA clients, 100% of such fees will be rebated). Such rebate amounts will be reflected on the Client's CSG periodic invoice.

<u>Ironwood Capital Management Corporation</u>	<u>Austin Capital Management, Ltd.</u>
Ironwood Partners L.P.	Austin Capital All Seasons Fund, Ltd.
Ironwood Capital Partners L.P.	Austin Capital All Seasons QP Fund, Ltd.
Ironwood Capital Partners II L.P.	Austin Capital Safe Harbor Fund, Ltd.
Ironwood International Ltd.	Austin Capital & Radix Sterling Fund, Ltd.
Ironwood Institutional Ltd.	Austin Capital Summit Fund, Ltd.

Centennial Partners, LLC

Heritage Hedged Equity Fund, L.P.	Heritage Hedged Equity Fund, Ltd.
Centennial Absolute Return Fund, L.P.	Centennial Absolute Return Fund, Ltd.
Centennial Global Macro Fund, L.P.	Centennial Global Macro Fund, Ltd.
Oakwood Partners Fund, LLC	Oakwood Partners Fund, Ltd.

Steben & Company, Inc.

Futures Portfolio Fund Futures Portfolio Fund

Referral Arrangements | Commission Sharing Agreements

CSG's related broker-dealer, TSG, may refer business to the parties depicted below and receive a percentage of any trading commissions related to such referral.

Cantor Fitzgerald & Co.	DirectTrade
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Future Trade	IXIS
Knight Securities	Morgan Keegan & Company, Inc.*
Morgan Stanley	Neovest
Societe Generale-London	Tradition Asiel Securities, Inc.

*All remuneration received from Morgan Keegan is based upon trading with the Stokes Mayer Stokes institutional equity group of that firm. Such remuneration is based upon the transactions of certain selected investment managers as well as Morgan Keegan proprietary products. Remuneration is received based on gross commissions on regular way trading as well as various syndicate transactions with Morgan Keegan, and a percentage of remittances credited to Stokes Mayer Stokes for services rendered to various investment managers. For more information on this relationship, please contact TSG's Chief Compliance Officer at 901-761-8080.

Additionally, CSG may refer clients for investment to the following entities for which it may receive referral fees. Such referral fees may be a component of a client commission recapture program or may be retained by CSG.

Diversified Trust Company
The Trust Company, N.A.
Citco Marketing and Promotion, Inc. (Fletcher Income Arbitrage Fund)

Investment Managers That Engage in Trading Activities

The investment managers depicted below engage in trading activities through CSG's related broker-dealer, TSG. TSG earns commissions related to these trading activities. Such commissions may be a component of a client commission recapture program. Investment managers recommended to CSG clients are not required to conduct transactions with TSG.

Those investment managers that trade through TSG and also advise CSG clients are identified by the following levels of CSG client assets under management as of 03/31/08:

⁽¹⁾ Assets under \$10,000,000 | ⁽²⁾ Assets between \$10,000,001 - \$50,000,000 | ⁽³⁾ Assets between \$50,000,001 - \$150,000,000 | ⁽⁴⁾ Assets greater than \$150,000,001

Investment Managers trading under \$25,000 in commissions at TSG during 2008:

Aletheia Group ¹	American Beacon ²
Aristos NY ¹	Ark Asset Mangement ¹
Brandes Asset Management ⁴	Brandywine Asset Management ⁴
Caywood Scholl ⁴	Circle T ¹
Cook & Bieler ¹	Cupps Capital Management ¹
Dreman Value ¹	Eagle Capital ¹
Earnest Partners ¹	Fayez Sarofim & Co.
Fisher Investments ⁴	Golden Tree Asset Management ¹
Harris Associates ⁴	Harvey Partners ¹
Hunter Global ¹	Leonidas
Manning & Napier ⁴	Nicholas Applegate ⁴

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	<p>North Sound Capital² Palisades² Scopia Capital J & W Seligman⁴ Southern Sun¹ Sterling Investments¹ Thomson Horstmann & Bryant⁴ Trust Company of the West¹ Uniplan¹ WCM Investment Management³</p> <p><i>Investment Managers trading between \$25,001 - \$50,000 in commissions at TSG during 2008:</i></p> <p>MacKay Shields⁴ Vontobel⁴ Wells Capital Management⁴</p> <p><i>Investment Managers trading between \$50,001 - \$75,000 in commissions at TSG during 2008:</i></p> <p>J. Goldman & Co.²</p> <p><i>Investment Managers trading greater than \$75,001 in commissions at TSG during 2008:</i></p> <p>Advisory Research⁴ Atalanta Sosnoff⁴</p>	<p>Ore Hill Partners² Sands Capital Management² Seizert Capital Partners² Snow Capital Management² Sporl & Company Templeton⁴ Trust Company of the West⁴ Twin Capital¹ Vaughn Nelson</p> <p>Santa Barbara Asset Management³ Wedge Capital⁴</p> <p>Scoggin Capital Management²</p> <p>Argonaut² Bank of New York</p>

CONTRACT/AGREEMENT No. 3576
CITY OF MARIETTA, GA.
RECORDS



CLIENT INVESTMENT ADVISORY SERVICES AGREEMENT

CITY OF MARIETTA | BLW DEFINED BENEFIT PENSION PLANS

6075 Poplar Avenue, Suite 700
Memphis, Tennessee 38119
(901) 761-8080

CONSULTING SERVICES GROUP, LLC
INVESTMENT ADVISORY SERVICES AGREEMENT

By this Investment Advisory Services Agreement effective as of 9/11, 2008 (the "Agreement") by and between CONSULTING SERVICES GROUP, LLC, a Tennessee limited liability company (the "CSG"), and CITY OF MARIETTA | BLW DEFINED BENEFIT PENSION PLANS (the "Client"), the Client retains CSG to provide investment management and consulting services to Client on the basis of terms as set forth herein. Client hereby acknowledges this Agreement supersedes all previous agreements, written or oral, between CSG and Client.

Section 1. Investment Advisory Services. CSG will provide the following consulting services with respect to Client's account (the "Account"):

- A. The services of Dustin Finley, Jon Breth or an appointed CSG representative to assist Client in preparing policy guidelines, objectives, and goals (the "Investment Policy Statement") and an asset allocation policy and the selection of underlying money managers (each an "Underlying Manager", collectively the "Underlying Managers") to carry out the Investment Policy Statement.
- B. If required by Client and upon the implementation of the spending and asset allocation policies, Dustin Finley, Jonathan Breth or a representative of CSG shall make himself or herself available to attend the Client's quarterly Investment Committee meetings. Client shall provide CSG with reasonable notice of the scheduling of such Investment Committee meetings and whether attendance by Dustin Finley, Jonathan Breth or a representative of CSG is requested. Expenses incurred by CSG in carrying out the services in this Section 1.B. shall be the responsibility of CSG.
- C. Quarterly performance evaluations (a "QPE") on the Client's investable assets in a concise and easy to understand format. The QPE shall include a comparison of the investment performance of the Account to that of relevant market indices and, where appropriate, peer group performance. The QPE also shall include a review of the adherence of Client's stated investment guidelines. Additionally, a Monthly Executive Summary detailing performance versus benchmarks along with a breakdown of changes in portfolio value will be provided.
- D. Perform an asset allocation study and over time recommend appropriate actions to improve the efficiency of Client's Account by either increasing the expected return for a stated amount of risk or by achieving the same return with less risk or a combination of the two.
- E. Should a change in an Underlying Manager selection result from the services described in Sections 1.C. and/or 1.D., CSG further agrees to conduct manager searches to identify the leading candidates for managing Client's investable assets in each identified sector of the Account.
- F. Other services as follows:

The initial Account assets shall be disclosed to CSG in a separate document. The investment policy statement (the "IPS") including Client's financial circumstances and investment objectives and any special instructions or limits that Client wishes CSG to follow in managing the Account are contained in a separate document. Client agrees to notify CSG promptly of any significant change in the information provided by the Client in the IPS or any other significant change in Client's financial circumstances or investment objectives that might affect the manner in which the Account should be managed. Client also agrees to provide CSG with such additional information as CSG may request from time to time to assist it in managing the Account. CSG's authority under this Agreement will remain in effect until changed or terminated by Client in writing.

Client understands that under this Agreement CSG will not engage in any investment execution or advisory services other than those indicated in this Section 1.

The recommendations to be provided by CSG under this Agreement are advisory in nature, and Client expressly agrees that CSG shall not be held liable in any manner with reference to the investment performance of CSG's recommendations, provided those recommendations are duly provided by CSG in good faith with reasonable care, and further provided CSG is in no way in violation of Federal or state laws, regulations or rulings. Client understands that past performance of an investment vehicle does not guarantee future returns.

Client understands and acknowledges that CSG is not responsible for the investment decisions made by Underlying Managers or Client. CSG shall not be responsible for ensuring that any cash balances are invested in an interest bearing account. Purchases and sales may be made by the Client's Underlying Managers on behalf of the Client in securities of any kind, including but not limited to, corporate common or preferred stocks, options, warrants, rights or government bonds or notes, or other permissible investment securities as described in Client's Investment Policy Statement and the Underlying Managers' investment strategy description. Notwithstanding, the securities laws impose liabilities under certain circumstances and therefore nothing contained in this Agreement with respect to liabilities should be construed as limiting a client's rights which he/she/it may have under applicable state or federal laws.

Section 2. Custodial Arrangements. Custody of Account assets will be maintained with the independent custodian selected by Client and disclosed to CSG (the "Custodian"). CSG will not have custody of any assets in the Account. Client will be solely responsible for paying all fees or charges of the Custodian. Client authorizes each Underlying Manager to provide CSG copies of all periodic statements and other reports for the Account that Custodian sends to Client. Client acknowledges that Custodian will provide to Client at least quarterly a statement showing all transactions and balances occurring in the Account during the period covered by the account statement. Client acknowledges that CSG does not have custody of the Account.

Section 3. Advisory Fees. Client will pay CSG a fee for its investment advisory services provided under this Agreement. The fee is set forth on Schedule A, as amended from time to time. The advisory fee is payable quarterly and is billed in arrears. Client understands that Account assets invested in shares of mutual funds or other investment companies ("Funds") will be included in calculating the value of the Account for purposes of computing CSG's fees and the same assets will also be subject to additional advisory and other fees and expenses, as set forth in the prospectuses of those funds, paid by the funds but ultimately borne by the investor.

Advisory Fees will be billed directly to Client (and not deducted from Client's Account), and Client agrees to pay all Advisory Fees within thirty (30) days of Client's receipt of an invoice from CSG.

Section 4. Execution of Transactions. Client acknowledges that the acceptance of this Agreement and the notification of its existence to the Client's Underlying Managers will create an environment where these Underlying Managers are encouraged, but not required, to execute their transactions through CSG's brokerage affiliate, Trading Services Group, Inc. Client acknowledges that each Underlying Manager continues to have the authority and responsibility to execute transactions in a manner that is in the best interest of the Client.

Section 5. Valuation. The Account shall be valued as reported by the Custodian on the last business day of the applicable quarter. Any security/fund whose value is not reported by the Custodian will be valued in a manner determined in good faith by CSG to reflect fair market value.

Section 6. Confidentiality. Except as otherwise agreed in writing or as required or allowed by law, CSG will keep confidential all information concerning Client's financial affairs, or investments. Client does agree to allow CSG to utilize Client's name in representative client lists.

Section 7. Other Investment Accounts. Client understands that CSG serves as investment adviser for other clients and will continue to do so. Client also understands that CSG, its personnel and affiliates ("Affiliated Persons") may give advice or take action in performing their duties to other clients, or for their own accounts, that differ from advice given to or action taken for Client. CSG is not obligated to recommend for Client any security or other investment that CSG or its Affiliated Persons may buy, sell or recommend for any other client or for their own accounts. This Agreement does not limit or restrict in any way CSG or any of its Affiliated Persons from buying, selling or trading in any securities or other investments for their own accounts. CSG or its Affiliated Persons may provide services for, or solicit business from various companies, including issuers of securities that CSG may recommend or purchase or sell for client accounts. In providing these services, CSG or its Affiliated Persons may obtain material, nonpublic or other confidential information that, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, CSG and its Affiliated Persons cannot improperly disclose or use this information for their personal benefit or for the benefit of any person, including clients of CSG. If CSG or any Affiliated Person obtains nonpublic or other confidential information about any issuer, CSG will have no obligation to disclose the information to Client or use it for Client's benefit.

Section 8. Risk Acknowledgment. CSG does not guarantee the future performance of the Account or any specific level of performance, the success of any investment decision or strategy that CSG may use, or the success of CSG's overall strategy related to the Account. Client understands that investment proposals made for Client's Account by CSG are subject to various market, currency, economic, political and business risks, and that those investment proposals will not always be profitable. CSG will advise upon only the securities, cash and other investments held in Client's Account and in making investment proposals for the Account, CSG will not consider any other securities, cash or other investments owned by Client. Except as may otherwise be provided by law, CSG will not be liable to Client for (i) any loss that Client may suffer by reason of any investment proposal made or other action taken or omitted in good faith by CSG; (ii) any loss arising from CSG's adherence to Client's instructions; or (iii) any act or failure to act by the Custodian, any broker or dealer, or by any other third party. The federal and state securities laws impose liabilities under certain circumstances on persons who act in good faith, and therefore nothing in this Agreement will waive or limit any rights that Client may have under those laws.

Section 9. Other Legal Actions / Tax Advice. The Client agrees that CSG will not advise or act for

Client in any legal proceedings, including bankruptcies or class actions, involving securities held or previously held by the Account or the issuers of these securities ("Legal Proceedings"). Additionally, Client acknowledges that CSG does not provide tax advice.

Section 10. Proxy Voting. The Client agrees that CSG will **not** vote any proxies relating to the Account and that all such proxies shall be voted by Client or the applicable Underlying Manager.

Section 11. Termination. This Agreement will continue in effect until terminated by either party upon thirty (30) days prior written notice to the other or in such other timeframe that is mutually agreeable to the parties. Termination of this Agreement will not affect (i) the validity of any action previously taken by CSG under this Agreement; (ii) liabilities or obligations of the parties from transactions initiated before termination of this Agreement; or (iii) Client's obligation to pay advisory fees (pro rated through the date of termination). Upon the termination of this Agreement, CSG will have no obligation to recommend or take any action with regard to the securities, cash or other investments in the Account.

Section 12. Client Authority. The person signing this Agreement for the Client represents that he or she has been authorized to do so by appropriate corporate action. If this Agreement is entered into by a trustee or other fiduciary, the trustee or fiduciary represents that CSG's investment management strategies, allocation procedures, and investment management services are authorized under the applicable plan, trust, or law and that the person signing this Agreement has the authority to negotiate and enter into this Agreement. Client will inform CSG of any event that might affect this authority or the propriety of this Agreement.

Section 13. Binding Agreement. This Agreement will bind and be for the benefit of the parties to the Agreement and their successors and permitted assigns, except that this Agreement may not be assigned (within the meaning of the Investment Advisers Act) by either party without the prior consent of the other party.

Section 14. Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of Georgia without giving effect to any conflict or choice of law provisions of that State, provided that nothing in this Agreement will be construed in any manner inconsistent with the Investment Advisers Act, any rule or order of the Securities and Exchange Commission under the Investment Advisers Act.

Section 15. Notices. All notices and reports after the date of this Agreement, and any other communications required hereunder, shall be in writing and shall be deemed to have been duly given (i) if delivered in person or by courier, on the date it is delivered; (ii) if sent by certified or registered mail (airmail if overseas) or the equivalent (return receipt requested), on the date that mail is delivered or its delivery is attempted; and (iii) if sent by facsimile, or email, on generation of confirmation, to the following respective addresses until a different address is specified in writing by one party to the other party:

To CSG:

Consulting Services Group, LLC
Attn: General Counsel
6075 Poplar Avenue, Suite 700
Memphis, TN 38119
Telephone: (901) 761-8080
Facsimile: (901) 682-4090
E-mail: ed.balsmann@csgllc.com

To Client:

City of Marietta | BLW Defined Benefit Pension Plans
Attn: Fran Diedrich
Human Resources / Risk Management Director
205 Lawrence Street
P.O. Box 609
Marietta, GA 30061-0609
Telephone: (770) 794-5567
Facsimile: (770) 794-5565
E-mail: fdiedrich@mariettaga.gov

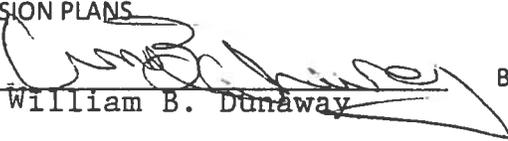
Section 16. Miscellaneous. If any provision of this Agreement is or should become inconsistent with any law or rule of any governmental or regulatory body having jurisdiction over the subject matter of this Agreement, the provision will be deemed to be rescinded or modified in accordance with any such law or rule. In all other respects, this Agreement will continue and remain in full force and effect. No term or provision of this Agreement may be waived or changed except in writing signed by the party against whom such waiver or change is sought to be enforced. CSG's failure to insist at any time upon strict compliance with this Agreement or with any of the terms of the Agreement or any continued course of such conduct on its part will not constitute or be considered a waiver by CSG of any of its rights or privileges. This Agreement contains the entire understanding between Client and CSG concerning the subject matter of this Agreement.

Section 17. Disclosure. Client acknowledges receipt of CSG's Brochure (Form ADV Part II) and Privacy Policy, current as of the date of this Agreement, not less than forty-eight (48) hours prior to the date of execution of this Agreement. Additionally, CSG shall provide on a quarterly basis a copy of its then current Form ADV Part II to the City of Marietta | BLW Defined Benefit Pension Plans.

- SIGNATURE PAGE FOLLOWS -

Client and CSG have executed this Agreement on this 30 day of September 2008.

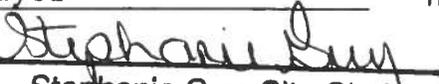
CITY OF MARIETTA | BLW DEFINED BENEFIT PENSION PLANS CSG

By: 
William B. Dunaway

By: 

Title: Mayor

Title: Chief Executive Officer

Attest: 
Stephanie Guy, City Clerk

SCHEDULE A
FEE SCHEDULE

Annual Fee:

10 basis points assessed against the value of the Account
on a quarterly basis subject to a \$70,000.00 annual
minimum fee
