

OMB APPROVAL	
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FORM ADV

Uniform Application for Investment Adviser Registration

Part II - Page 1

Name of Investment Adviser: Garnet Group, LLC				
Address: (Number and Street)	(City)	(State)	(Zip Code)	Area Code: Telephone Number:
6701 Democracy Boulevard, Suite 505	Bethesda	MD	20817	301-564-3000

**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 government 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.)

Applicant: Garnet Group, LLC	SEC File Number: 801-	Date: 11/04/2009
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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.	<p>A. Advisory Services and Fees. (check the applicable boxes)</p> <p>Applicant:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%;"><input checked="" type="checkbox"/></td> <td style="width: 75%;">(1) Provides investment supervisory services</td> <td style="width: 20%; text-align: right;">50%</td> </tr> <tr> <td><input type="checkbox"/></td> <td>(2) Manages investment advisory accounts not involving investment supervisory services</td> <td style="text-align: right;">%</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>(3) Furnishes investment advice through consultations not included in either service described above</td> <td style="text-align: right;">50%</td> </tr> <tr> <td><input type="checkbox"/></td> <td>(4) Issues periodicals about securities by subscription</td> <td style="text-align: right;">%</td> </tr> <tr> <td><input type="checkbox"/></td> <td>(5) Issues special reports about securities not included in any service described above</td> <td style="text-align: right;">%</td> </tr> <tr> <td><input type="checkbox"/></td> <td>(6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities</td> <td style="text-align: right;">%</td> </tr> <tr> <td><input type="checkbox"/></td> <td>(7) On more than an occasional basis, furnishes advice to clients on matters not involving securities</td> <td style="text-align: right;">%</td> </tr> <tr> <td><input type="checkbox"/></td> <td>(8) Provides a timing service</td> <td style="text-align: right;">%</td> </tr> <tr> <td><input type="checkbox"/></td> <td>(9) Furnishes advice about securities in any manner not described above</td> <td style="text-align: right;">%</td> </tr> </table> <p style="text-align: center;">(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.)</p>	<input checked="" type="checkbox"/>	(1) Provides investment supervisory services	50%	<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	50%	<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	%	<p>For each type of service provided, state the approximate % of total advisory billings from that service. Approx. (See instruction below.)</p>
<input checked="" type="checkbox"/>	(1) Provides investment supervisory services	50%																											
<input type="checkbox"/>	(2) Manages investment advisory accounts not involving investment supervisory services	%																											
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<input type="checkbox"/>	(8) Provides a timing service	%																											
<input type="checkbox"/>	(9) Furnishes advice about securities in any manner not described above	%																											
	<p>B. Does the applicant call any of the services it checked above financial planning or some similar term?</p>	<table style="border: none;"> <tr> <td style="text-align: center;">Yes</td> <td style="text-align: center;">No</td> </tr> <tr> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	Yes	No	<input checked="" type="checkbox"/>	<input type="checkbox"/>																							
Yes	No																												
<input checked="" type="checkbox"/>	<input type="checkbox"/>																												
	<p>C. Applicant offers investment advisory services for: (check all that apply):</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;"><input checked="" type="checkbox"/> (1) A percentage of assets under management</td> <td style="width: 50%;"><input type="checkbox"/> (4) Subscription fees</td> </tr> <tr> <td><input checked="" type="checkbox"/> (2) Hourly charges</td> <td><input type="checkbox"/> (5) Commissions</td> </tr> <tr> <td><input checked="" type="checkbox"/> (3) Fixed fees (not including subscription fees)</td> <td><input type="checkbox"/> (6) Other</td> </tr> </table>	<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 type="checkbox"/> (5) Commissions	<input checked="" type="checkbox"/> (3) Fixed fees (not including subscription fees)	<input type="checkbox"/> (6) Other																						
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	<p>D. For each checked box in A above, describe on Schedule F:</p> <ul style="list-style-type: none"> • 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.	<p>Types of Clients - Applicant generally provides investment advice to: (check those that apply)</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;"><input checked="" type="checkbox"/> A. Individuals</td> <td style="width: 50%;"><input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations</td> </tr> <tr> <td><input type="checkbox"/> B. Banks or thrift institutions</td> <td><input checked="" type="checkbox"/> F. Corporations or business entities other than those listed above</td> </tr> <tr> <td><input type="checkbox"/> C. Investment companies</td> <td><input type="checkbox"/> G. Other (describe on Schedule F)</td> </tr> <tr> <td><input checked="" type="checkbox"/> D. Pension and profit sharing plans</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> A. Individuals	<input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations	<input type="checkbox"/> B. Banks or thrift institutions	<input checked="" type="checkbox"/> F. Corporations or business entities other than those listed above	<input type="checkbox"/> C. Investment companies	<input type="checkbox"/> G. Other (describe on Schedule F)	<input checked="" type="checkbox"/> D. Pension and profit sharing plans																					
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Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

Applicant: Garnet Group, LLC	SEC File Number: 801-	Date: 11/04/2009
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3. Types of Investments. Applicant offers advice on the following: (check those that apply)

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

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

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

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

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

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

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

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

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

Applicant: Garnet Group, LLC	SEC File Number: 801- 67090	Date: 11/04/2009
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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 | • formal education after high school |
| • year of birth | • business background for the preceding five years |

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

- A. Applicant is actively engaged in a business other than giving investment advice.
- B. Applicant sells products or services other than investment advice to clients.
- C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

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

- A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- | | |
|--|--|
| <input type="checkbox"/> (1) broker-dealer | <input type="checkbox"/> (7) accounting firm |
| <input type="checkbox"/> (2) investment company | <input type="checkbox"/> (8) law firm |
| <input type="checkbox"/> (3) other investment adviser | <input type="checkbox"/> (9) insurance company or agency |
| <input type="checkbox"/> (4) financial planning firm | <input type="checkbox"/> (10) pension consultant |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading 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: Garnet Group, LLC	SEC File Number: 801- 67090	Date: 11/04/2009
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9. Participation or Interest in Client Transactions.

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

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

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

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

Yes No

(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.

For those clients to whom the Registrant provides discretionary and/or non-discretionary investment advice, the Registrant monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. For those clients to whom the Registrant provides one-time financial planning and/or consulting services, reviews are conducted on an "as needed" basis. Such reviews are conducted by the Registrant's Advisors, Annette Simon, Laura McAree and/or Veena Kutler (Chief Compliance Officer). All clients are encouraged to discuss their needs, goals and objectives with the Registrant and to keep the Registrant informed of any changes thereto. The Registrant shall contact clients for which it provides discretionary and/or non-discretionary investment advice at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

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

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Those clients to whom the Registrant provides discretionary and/or non-discretionary investment advice may also receive a report from the Registrant that would include relevant account and/or market-related information such as an inventory of account holdings and account performance as clients may request from time to time, or as otherwise agreed to in the Agreement. Those clients to whom the Registrant provides one-time financial planning and/or consulting services will receive reports from the Registrant summarizing its analysis and conclusions as requested by the client or otherwise agreed to in writing by the Registrant.

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

Applicant:	SEC File Number:	Date:
Garnet Group, LLC	801- 67090	11/04/2009

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 | No |
| | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (2) amount of the securities to be bought or sold ? | Yes | No |
| | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (3) broker or dealer to be used ? | Yes | No |
| | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (4) commission rates paid? | Yes | No |
| | <input type="checkbox"/> | <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; 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:
Garnet Group, LLC

SEC File Number:

801-

Date:
11/04/2009

(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: Garnet Group, LLC		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	

Item 1(D)	<p><u>Advisory Services and Fees</u></p> <p>Garnet Group LLC (the “Registrant”) is an investment adviser providing financial planning, consulting, and investment management services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities. The Registrant, depending upon the engagement, offers its services on a fee basis which primarily include negotiable flat annual retainer fees. Prior to engaging the Registrant to provide any of the foregoing investment advisory services, the client will be required to enter into one or more written agreements with the Registrant setting forth the terms and conditions under which the Registrant shall render its services (collectively the “Agreement”).</p> <p>This flat annual fee covers comprehensive service that encompasses all Garnet services provided to Client including financial planning and investment management. This fee is based on Client net worth, income and financial complexity. An approximate fee range is quoted by Garnet at initial consultation; using the methodology detailed below, an exact first year fee will be calculated upon receipt of the required inputs. The fee is reset annually at each contract anniversary using the same computation method.</p> <p><u>Retainer Fee Calculation:</u></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>First \$2,000,000 of Net Worth</td> <td style="text-align: center;">0.70%</td> <td></td> <td style="text-align: right;">\$ -</td> </tr> <tr> <td>Next \$3,000,000 of Net Worth</td> <td style="text-align: center;">0.50%</td> <td></td> <td style="text-align: right;">\$ -</td> </tr> <tr> <td>Next \$5,000,000 of Net Worth</td> <td style="text-align: center;">0.30%</td> <td></td> <td style="text-align: right;">\$ -</td> </tr> <tr> <td>Net Worth over \$10,000,000</td> <td style="text-align: center;">0.20%</td> <td></td> <td style="text-align: right;">\$ -</td> </tr> </table> <p>A minimum annual retainer fee may be required.</p> <p>The annual retainer fee will be paid to Registrant on a quarterly basis in advance.</p> <p>For clients with a net worth of \$10 Million, fees are negotiated.</p> <p><u>Payment Schedule:</u></p> <p>First year – one-quarter of the first year fee must be paid at the start of the engagement. The remaining balance of the calculated first year fee is payable quarterly directly by Client or debited from Client’s custodian account(s).</p>	First \$2,000,000 of Net Worth	0.70%		\$ -	Next \$3,000,000 of Net Worth	0.50%		\$ -	Next \$5,000,000 of Net Worth	0.30%		\$ -	Net Worth over \$10,000,000	0.20%		\$ -
First \$2,000,000 of Net Worth	0.70%		\$ -														
Next \$3,000,000 of Net Worth	0.50%		\$ -														
Next \$5,000,000 of Net Worth	0.30%		\$ -														
Net Worth over \$10,000,000	0.20%		\$ -														

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:
Garnet Group, LLC

SEC File Number:

801-

Date:

11/04/2009

(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: Garnet Group, LLC		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	

<p>Item 1(D) (Continued)</p>	<p>Clients who terminate the relationship prior to completion of the initial financial planning recommendations will receive a refund of the initial deposit minus cost of services provided. For this purpose, services will be billed at a rate of \$300 per hour. Second and subsequent years – quarterly payments payable by client or debited from Custodian investment account(s). It should be noted that Registrant's fees are negotiable in certain circumstances.</p> <p><u>Investment Management Fee Schedule:</u></p> <p>For certain historical accounts/clients, the Registrant may charge the client on a fee-only basis. Registrant shall charge an annual investment management fee (generally between .50% to 1.00%) based upon a percentage of the market value of the assets being managed by Registrant, generally in accordance with the following fee schedule:</p> <table border="1"> <thead> <tr> <th>ASSETS UNDER MANAGEMENT</th> <th>ANNUAL FEE</th> </tr> </thead> <tbody> <tr> <td>Up to \$3,000,000</td> <td>1.00%</td> </tr> <tr> <td>\$3,000,000 to \$5,000,000</td> <td>0.75%</td> </tr> <tr> <td>\$5,000,001+</td> <td>Negotiable</td> </tr> </tbody> </table> <p>Registrant's annual investment management fee shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last day of the previous quarter. Registrant, in its sole discretion, may charge a lesser management fee based upon certain criteria (i.e. existing financial planning client, anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with the client, etc.)</p> <p>In performing its services, Registrant shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Each client is advised that it remains his/her/its responsibility to promptly notify Registrant if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Registrant's previous recommendations and/or services.</p> <p>Fees will be debited directly from the client account or paid via check. There is no constructive custody resulting due to the fact the applicant will send a statement to the client showing the amount of the fee, the value of client's</p>	ASSETS UNDER MANAGEMENT	ANNUAL FEE	Up to \$3,000,000	1.00%	\$3,000,000 to \$5,000,000	0.75%	\$5,000,001+	Negotiable
ASSETS UNDER MANAGEMENT	ANNUAL FEE								
Up to \$3,000,000	1.00%								
\$3,000,000 to \$5,000,000	0.75%								
\$5,000,001+	Negotiable								

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:
Garnet Group, LLC

SEC File Number:

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11/04/2009

(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: Garnet Group, LLC		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	

Item 1(D) (Continued)	<p>assets upon which the fee was based and the specific manner in which the fee was calculated, or alternatively, ensure that clients receive an invoice from their account's custodian. In addition, Registrant will disclose to clients that it is the client's responsibility to verify the accuracy of the fee calculation and that the custodian will not determine whether the fee is properly calculated. Registrant will send a bill to the custodian indicating only the amount of the fee to be paid by the custodian. Also, Registrant receives authorization of the fee paying arrangement and the custodian's obligation to send out custodial statements to the client no less frequently than quarterly showing the fees debited from his/her/its account. Registrant will not send invoices to its client(s).</p> <p>Because mutual funds pay advisory fees to their investment managers and such fees are therefore indirectly charged to all holders of mutual fund shares, clients with mutual funds in their portfolios are effectively paying both the applicant and the mutual fund for the management of their assets. Clients who place mutual fund shares under the applicant's management are therefore subject to both the applicant's direct management fee and the indirect management fee of the mutual fund's adviser.</p> <p>The Registrant shall provide its clients with a broad range of comprehensive financial planning and consulting services (which may include non-investment related matters), which shall generally include ongoing discretionary and/or non-discretionary investment advice. Alternatively, the Registrant may provide clients with a one-time financial plan. The Registrant will generally charge a negotiable fixed fee ranging from \$5,000 to \$60,000 for the first year of service, the total of which is dependent upon the level and scope of these services. As discussed in response to Item 12B (below), the Registrant's fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. However, the Registrant shall not receive any portion of these commissions, fees, and costs. The fixed fees are determined after considering many factors, such as the level and scope of the services, and the client's net worth. Alternatively, the Registrant may occasionally provide services based on an hourly rate, which is generally \$200 to \$350 per hour.</p> <p>Registrant may provide investment management services to some family members and friends at no charge. An annual administrative charge of 0.25% may be charged and deducted from these family members' and friends' accounts on a quarterly basis in arrears.</p>
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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:
Garnet Group, LLC

SEC File Number:

801-

Date:

11/04/2009

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

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<p>Item 1(D) (Continued)</p>	<p>Prior to engaging the Registrant, the client will be required to enter into a written agreement with the Registrant setting forth the terms and conditions of the engagement and describing the scope of the services to be provided and the portion of the fee that is due from the client prior to the Registrant commencing services. For the first year of services, the Registrant may require up to one-half of the fee payable upon entering the written agreement, while the remaining balance would be due quarterly at the beginning of the third and fourth quarter of services. Thereafter, the Registrant's annual fee shall be prorated and charged quarterly, in advance. In other cases, Registrant may elect to bill the Client all or a portion of their fee in arrears.</p> <p>A client can also engage the Registrant to provide a one-time financial plan, without ongoing investment management services. For such an engagement, the Registrant requires one-half of the fee payable upon entering the written agreement, while the balance is generally due upon delivery of the financial plan or completion of the agreed upon services.</p> <p>Where the Registrant has been engaged to provide a one-time financial plan, the client is under no obligation to act upon any of the recommendations made by the Registrant. Such client retains absolute discretion over all such implementation decisions and is free to accept or reject any of the Registrant's recommendations. Moreover, each financial planning only client is advised that it remains his/her/its responsibility to promptly notify the Registrant if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing, evaluating, or revising the Registrant's previous recommendations and/or services.</p> <p>Either party may terminate the Agreement by written notice to the other. In the event the client terminates the Registrant's services, the balance of the Registrant's unearned fees (if any) shall be refunded to the client. If termination occurs within five business days of entering into an agreement for such services the client shall be entitled to a full refund.</p> <p>The Registrant does not impose an account minimum for starting or maintaining an account. However, as further discussed in response to Item 10 (below), the Registrant generally imposes a minimum annual fee for its comprehensive financial planning services. The Registrant, in its sole discretion, may negotiate to charge a lesser fee based upon certain criteria (i.e., anticipated future earning capacity, future additional assets, dollar of assets to be managed, related accounts, account composition, pre-existing client, account retention, pro bono activities, etc.).</p>
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<p>Item 1(D) (Continued)</p>	<p>The Registrant offers advice on each type of investment described in Part II of Form ADV (Item 3). However, the Registrant intends to primarily allocate its client’s assets, on a discretionary and/or a non-discretionary basis among mutual funds, exchange traded funds, individual debt and equity securities and/or options, and Independent Managers (as defined below), as well as the securities components of variable annuities and variable life insurance contracts in accordance with the investment objectives of the client.</p> <p>The Registrant may only implement its recommendations after the client has arranged for and furnished the Registrant with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions shall include, but are not limited to, any other broker-dealer recommended by the Registrant, a broker-dealer directed by the client, trust companies, banks etc. (collectively referred to herein as the “Financial Institution(s)”).</p> <p>Clients may incur certain charges imposed by the Financial Institution(s) and other third parties such as fees charged by Independent Managers (as defined below), custodial fees, charges imposed directly by a mutual fund or exchange traded fund in the account, which shall be disclosed in the fund’s prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, for assets outside of any wrap fee programs, clients may incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to the Registrant’s fee. The Registrant’s Agreement and/or the separate agreement with the Financial Institution(s) may authorize the Registrant through the Financial Institution(s) to debit the client’s account for the amount of the Registrant’s fee and to directly remit that management fee to the Registrant in accordance with applicable custody rules. The Financial Institution(s) recommended by the Registrant have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to the Registrant.</p> <p>The Registrant may also recommend that certain clients authorize the active discretionary management of a portion of their assets by and/or among certain independent investment manager(s) (“Independent Manager(s)”) directly based upon the stated investment objectives of the client.</p>
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<p>Item 1(D) (Continued)</p>	<p>The terms and conditions under which the client shall engage the Independent Manager(s) shall be set forth in separate written agreements between (1) the client and the Registrant and (2) the client and the designated Independent Manager(s) and/or wrap fee program sponsor. The Registrant shall continue to render advisory services to the client relative to the ongoing monitoring and review of account performance. Factors that the Registrant shall consider in recommending Independent Manager(s) include the client's stated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. The investment management fees charged by the designated Independent Manager(s), together with the fees charged by the wrap fee program sponsor and corresponding designated broker-dealer/custodian of the client's assets, may be exclusive of, and in addition to, the Registrant's comprehensive financial planning fee set forth above.</p> <p>In addition to the Registrant's written disclosure statement, the client shall also receive the written disclosure statement of the designated Independent Manager(s). Certain Independent Manager(s) may impose more restrictive account requirements and varying billing practices than the Registrant. In such instances, the Registrant may alter its corresponding account requirements and/or billing practices to accommodate those of the Independent Manager(s) or wrap fee program sponsor.</p> <p>The Registrant also may render non-discretionary investment management services to clients relative to: (1) variable life/annuity products that they may own, and/or (2) their individual employer-sponsored retirement plans. In so doing, the Registrant either directs or recommends the allocation of client assets among the various mutual fund subdivisions that comprise the variable life/annuity product or the retirement plan. The client assets shall be maintained at either the specific insurance company that issued the variable life/annuity product which is owned by the client, or at the custodian designated by the sponsor of the client's retirement plan.</p> <p>The client may make additions to and withdrawals from the account at any time, subject to the Registrant's right to terminate an account. Clients may withdraw account assets on notice to the Registrant, subject to the usual and customary securities settlement procedures. The Registrant designs its portfolios as long-term investments and assets withdrawals may impair the achievement of a client's investment objectives.</p> <p>The initial Agreement between the Registrant and the client will automatically renew at the end of one year of services unless otherwise agreed. The</p>
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<p>Item 1(D) (Continued)</p>	<p>Registrant’s annual fee shall be prorated through the date of termination and any remaining balance shall be charged or refunded to the client, as appropriate, in a timely manner.</p> <p>Additions may be in cash or securities provided that the Registrant reserves the right to liquidate any transferred securities, or decline to accept particular securities into a client’s account. The Registrant may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.</p> <p>The Registrant’s clients are advised to promptly notify the Registrant if there are ever any changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon the Registrant’s services.</p> <p>Neither the Registrant nor the client may assign the Agreement without the consent of the other party. Transactions that do not result in a change of actual control or management of the Registrant shall not be considered an assignment.</p> <p>In all circumstances, all fees agreed to between client and the Registrant shall be negotiable.</p> <p>A copy of the Registrant’s privacy policy notice and a written disclosure statement that meets the requirements of Rule 204-3 of the In the Investment Advisers Act of 1940, as amended (“Advisers Act”), shall be provided to each client prior to or contemporaneously with the execution of the Agreement. Any client who has not received a copy of the Registrant’s written disclosure statement at least forty-eight (48) hours prior to executing the Agreement shall have five (5) business days subsequent to executing the agreement to terminate the Registrant’s services without penalty. Registrant does not vote proxies on behalf of its clients.</p> <p><u>SEI Investments Management Corporation Programs:</u></p> <p>SEI ASSET ALLOCATION PROGRAM</p> <p>Garnet Group, LLC (the “Adviser”) participates in The SEI Asset Allocation Program, which is offered to high net worth individuals, defined benefit plans, participant and non-participant directed defined contribution plans,</p>
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<p>Item ID (Continued)</p>	<p>institutions, endowments, and foundations.</p> <p>With the SEI Asset Allocation Program, the Adviser serves as the investment adviser to the investor, and is responsible for analyzing the investor's current financial situation, return expectations, risk tolerance, time horizon, and asset class preference, pursuant to the Adviser's investment advisory agreement. Based upon the investor's information, the Adviser and the investor select an investment strategy and choose from one of many mutual fund asset allocation models, which may be provided by SEI Investments Management Corporation ("SIMC"), or purchase the individual mutual funds.</p> <p>The Adviser will allocate the assets placed in the investor's account among the SEI Funds (a family of mutual funds advised by SIMC) in accordance with the investment strategy, goal or model selected by the investor. The investor, through the Adviser, may adjust their asset allocation to help ensure that the mix reflects the objectives of the chosen strategy. The investor may, at any time, impose reasonable restrictions on the management of his/her account or choose a new investment strategy. For participant-directed plans, assets will be invested in the SEI Asset Allocation mutual funds and other style-specific SEI Funds (if applicable).</p> <p>In accordance with the investor's investment objectives, the Adviser may also allocate assets placed in the investor's account among the SEI Funds through SEI's Private Client Models, which reflect SIMC's institutional asset allocation models more aligned with individual investors' goals. SIMC expects to make changes to the Private Client Models periodically to incorporate changes to the mutual fund asset allocations underlying the models. Upon consent from the Adviser (on behalf of the investor), these asset allocation changes will be made to the investor's accounts invested in the Private Client Models.</p> <p>The SEI Funds are administered, distributed, and in some cases advised by SIMC or its affiliates for which it is paid fees as disclosed in the SEI Funds' prospectuses. The prospectus(es) should be read carefully by all investors before investing in the SEI Funds.</p> <p>The fees payable to the Adviser for participation in the SEI Allocation Program are equivalent to the fee schedule above titled "Retainer Fee Calculation".</p>
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Item 3(L)	<p><u>Types of Investments</u></p> <p>The Registrant may also provide advice about exchange traded funds (ETFs) and any type of investment held in a client's portfolio at the beginning of the advisory relationship.</p>
Items 3(L) & 4(C)(7)	<p><u>Types of Investments/Investment Strategies</u></p> <p>As further discussed in the response to Item 1D (above), the Registrant may recommend that clients authorize the active discretionary management of a portion of their assets by and/or among certain Independent Manager(s), based upon the stated investment objectives of the client. The Registrant shall continue to render services to the client relative to the discretionary and/or non-discretionary selection or recommendation of Independent Manager(s) as well as the monitoring and review of account performance and client investment objectives.</p>
Items 4(A)(5) & 4(B)(8)	<p><u>Methods of Analysis, Sources of Information</u></p> <p>As further discussed in the response to Item 1D (above), the Registrant may recommend that clients authorize the active discretionary management of a portion of their assets by and/or among certain Independent Manager(s), based upon the stated investment objectives of the client. When recommending or selecting an Independent Manager for a client, the Registrant shall review information about the Independent Manager(s) such as its disclosure statement and/or material supplied by the Independent Manager(s) or independent third parties for a description of the Independent Manager's investment strategies, past performance and risk results to the extent available.</p>
Item 5	<p><u>Education and Business Standards</u></p> <p>All individuals that render investment advisory services on behalf of the Registrant must have earned a college degree and/or have substantive investment-related experience. In addition, all such individuals shall have attained all required investment-related licenses and/or designations.</p>
Item 6	<p><u>Education and Business Background</u></p> <p>VEENA A. KUTLER, CFA Born 1956 Post-Secondary Education:</p>

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	<p>B. S. in Computer Sciences, West Virginia University MBA George Washington University Chartered Financial Analyst (CFA) Designation</p> <p>Recent Business Background: Garnet Group LLC, Managing Member, 07/2006 to Present Mosaic Wealth Management, Founder and Principal, 2000 to 7/2006 T. Rowe Price Associates, Vice President, 1987 to 2000</p> <p>ANNETTE F. SIMON, CFP® Born 1959 Post-Secondary Education: B. A. in Economics, Northwestern University MBA Yale University Certified Financial Planner (CFP®) Designation</p> <p>Recent Business Background: Garnet Group LLC, Managing Member 07/2006 to Present Mosaic Wealth Management, Principal, 2002 to 7/2006 Prosperity Planning, Inc., Founder and Principal, 1996 to 2001 Baltimore-Washington Financial Advisors, Financial Advisor, 2001 to 2002</p> <p>LAURA L. MCAREE, CFA Born 1965 Post-Secondary Education: B. S. in Economics, University of Pennsylvania, The Wharton School Chartered Financial Analyst Designation</p> <p>Recent Business Background: Garnet Group LLC, Advisor, 11/2007 to Present Aegis Wealth Management, Associate, 3/2007 to 10/2007 Heritage Investors Management, Portfolio Manager, 1999 to 2000 Salomon Smith Barney, Financial Consulting Associate, 1998 to 1999 T. Rowe Price and Associates, Assistant Vice President, 1991 to 1997</p>
Item 10	<p><u>Conditions for Managing Accounts</u></p> <p>As further discussed in response to Item 1D (above), the Registrant provides financial planning services. As a condition for starting and maintaining a comprehensive financial planning relationship, which includes the Registrant's discretionary and/or non-discretionary investment advice, the Registrant shall</p>

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	<p>generally impose a minimum annual fee of \$10,000. As a condition for providing a one-time comprehensive financial plan, the Registrant shall generally impose a minimum fee of \$10,000. The Registrant, in its sole discretion, may waive its minimum fees based upon certain criteria including the amount of services required, anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, and pro bono activities. Additionally, certain Independent Manager(s) may impose more restrictive account requirements and varying billing practices than the Registrant.</p>
Items 12(A),(B) & 13(A)	<p><u>Investment or Brokerage Discretion & Additional Compensation</u></p> <p>Except as provided for in any applicable wrap fee program, the brokerage commissions and/or transaction fees charged by Fidelity, SEI Investments Management Corporation (“SIMC”), or any other designated broker-dealer are exclusive of and in addition to the Registrant’s fee.</p> <p>Factors which the Registrant considers in recommending Fidelity, SIMC or any other broker-dealer, to clients include their respective financial strength, reputation, execution, pricing, research, and service. Fidelity and SIMC enable the Registrant to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by Fidelity and SIMC may be higher or lower than those charged by other broker-dealers.</p> <p>The commissions paid by the Registrant’s clients shall comply with the Registrant’s duty to obtain “best execution.” However, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Registrant determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer’s services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while the Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions.</p> <p>If the client requests the Registrant to arrange for the execution of securities brokerage transactions for the client’s account, the Registrant shall direct such</p>

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<p>Items 12(A),(B) & 13(A) (Continued)</p>	<p>transactions through broker-dealers that the Registrant reasonably believes will provide best execution. The Registrant shall periodically and systematically review its policies and procedures regarding recommending broker-dealers to its client in light of its duty to obtain best execution.</p> <p>The client may direct the Registrant in writing to use a particular broker-dealer to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that broker-dealer, and the Registrant will not seek better execution services or prices from other broker-dealers or be able to “batch” client transactions for execution through other broker-dealers with orders for other accounts managed by the Registrant (as described below). As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, the Registrant may decline a client’s request to direct brokerage if, in the Registrant’s sole discretion, such directed brokerage arrangements would result in additional operational difficulties.</p> <p>Transactions for each client generally will be effected independently, unless the Registrant decides to purchase or sell the same securities for several clients at approximately the same time. The Registrant may (but is not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among the Registrant’s clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among the Registrant’s clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that the Registrant determines to aggregate client orders for the purchase or sale of securities, including securities in which the Registrant’s Advisory Affiliate(s) may invest, the Registrant shall generally do so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. The Registrant shall not receive any additional compensation or remuneration as a result of the aggregation. In the event that the Registrant determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account</p>
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<p>Items 12(A),(B) & 13(A) (Continued)</p>	<p>when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, the Registrant may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.</p> <p>Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist the Registrant in its investment decision-making process. Such research generally will be used to service all of the Registrant's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest.</p> <p>The Registrant may receive from Fidelity and SIMC, without cost or at a discount, computer software and related systems support, which allow the Registrant to better monitor client accounts maintained at Fidelity or SIMC. The Registrant may receive the software and related support without cost because the Registrant renders services to clients that, in the aggregate, maintain a certain level of assets at Fidelity or SIMC. Specifically, the Registrant may receive the following benefits from Fidelity or SIMC: receipt of duplicate client confirmations, access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.</p>
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