

Plan



Timothy C. Hucks, CEP
President

Good planning provides security and peace of mind.

Tim Hucks has been helping investors protect their assets and invest wisely for more than 28 years.

He wants the best for you.

A University Retirement Specialist, Tim holds the designation of Certified Estate Planner. He is President of Rising Tide, Inc., a Registered Investment Advisory Firm and has a Registered Principal license with Capital Investment Group, Inc.

More than a financial advisor, count on him through all economic tides.

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Rising Tide
INCORPORATED

Securities offered through Capital Investment Group, Inc. Corporate Office: 17 Glenwood Avenue, Raleigh, NC 27603 • 919.831.2370 Member FINRA/SIPC.

Focus



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University Retirement Specialist for a comfortable retirement

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University Retirement Specialist for a comfortable retirement



ADV Part 2 Compliance Brochure

This brochure provides information about the qualifications and business practices of Timothy C. Hucks and Rising Tide, Inc. If you have any questions about the contents of this brochure, please contact us at (919) 968-8675 or tim@risingtideinc.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Timothy C. Hucks also is available on the SEC's website at www.adviserinfo.sec.gov.



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Updated January 2012

On July 28, 2010, the Securities and Exchange Commission (SEC) issued a new rule requiring advisers to provide specific disclosures about their business and their personnel in a simple brochure written in plain English.

The primary purpose of this brochure is to help you determine, *Is this an adviser I can trust?* This is the first question – and the most important, but not the only question – you must answer when choosing an adviser. Ultimately, this is a decision that you and only you can make.

DISCLAIMER: This brochure has not been approved by the Securities and Exchange Commission or any state securities authority. The terms “registered” or “registered investment adviser” do not imply a certain level of skill or training.

1. General Information

Rising Tide, Inc. is a State of North Carolina Registered Investment Advisory (RIA) Firm. Founded in 1993, the business has served hundreds of clients with millions of dollars in investment and insurance products. Rising Tide, Inc. was incorporated as a business under the laws of the State of North Carolina on April 15, 1999. Articles of incorporation are available upon request.

- **Rising Tide, Inc., 7312 Crescent Ridge Drive, Chapel Hill, NC 27517 / Tel-Fax: (919) 968-8675 / www.risingtideinc.com / tim@risingtideinc.com**

Timothy C. Hucks is the President of Rising Tide, Inc. and its only Investment Advisor Representative. This means that currently he is the only individual who will provide investment advice for clients of Rising Tide, Inc. He has worked in this industry for more than 30 years, holds the designation of Certified Estate Planner®, and earned undergraduate and master’s degrees from the University of North Carolina.

Mr. Hucks has a Registered Principal license with **Capital Investment Group, Inc.**, which serves as Broker/Dealer for Rising Tide, Inc. This means that securities are offered through Capital Investment Group, Inc., which is a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC), two of the nation’s principal authorities whose missions are to protect individual investors such as you.

- **Capital Investment Group, Inc. 17, Glenwood Avenue, Raleigh, NC 27603 / Tel: (919) 831-2370 / www.capital-invest.com**
- **FINRA, 1735 K Street, Washington, DC 20006 / Tel: (301) 590-6500, www.finra.org / Visit this website for a detailed report on Timothy Craig Hucks, CRD #1023012.**
- **SIPC, 805 15th Street, N.W., Suite 800, Washington, DC 20005 / Tel: (202) 371-8300 / www.sipc.org**

2. Material changes

There have been no material changes at Rising Tide, Inc. – business practices, its investment style, assets under management, key officers, etc. – from last year.

3. Advisory business

Specifically, approximately 99 percent of advisory business provided by Rising Tide, Inc. can be described as investment supervisory services, and the remaining one percent on matters not involving securities.

- **Financial Planning for Individuals** – Tax-wise college funding, retirement planning and options, tax-advantaged income, tax-deferred growth, major purchase scenarios, risk evaluation and liquidity needs.
- **Financial Planning for Businesses** – Qualified retirement plans, tax-advantaged executive benefits, health savings accounts with health coverage, liquid business accounts, buy/sell agreements and funding, succession planning and business valuation.
- **Estate Planning** – Estate valuations, gifting plans, charitable planning, tax strategies, considerations regarding wills, trusts and personal directives. We are not attorneys and do not draw

legal documents, but Rising Tide, Inc. has relationships with a number of CPAs and attorneys.

- **Investment Management** – Specializing in asset management by objective, portfolios with optimum risk/reward characteristics based on clients’ needs, mutual funds, variable annuities, individual stocks, corporate and municipal bonds and real estate investment including 1031 exchanges.

4. Fees and compensation

Rising Tide, Inc. is primarily a fee-based advisory firm. This independence allows for objective and unbiased advice, which we believe is absolutely essential to providing financial management services with integrity.

Rising Tide, Inc. may recommend no-load, load waived or fee transaction mutual funds; it may also use individual securities such as stocks, bonds and unit investment trusts; and occasionally it will broker commission products such as variable annuities, variable life insurance and load mutual funds if the products meet a specific need of the client.

But the vast majority of revenue (i.e., 99%) is earned as a percentage of assets under management. In other words, the more the assets grow for the individual investor, the more Rising Tide, Inc. earns. Conversely, if an individual investor’s assets decline in value, so does the revenue received by Rising Tide, Inc. This is the primary benefit of independent, fee-based advice – as the individual investor benefits, so does the adviser, and vice versa.

The basic annual fee schedule is based on client assets under contract management as follows:

- 1.00% of the first \$250,000;
- 0.75% from \$250,001-\$500,000;
- 0.50% from \$500,001-\$3,000,000; and
- 0.25% in excess of \$3,000,000.

Billing is at each calendar quarter in arrears; that means you are billed four times a year at the end of each quarter, after services have been provided, not at the beginning. New accounts are billed pro-rata based on account opening date; in other words, if you opened an account in March, you would be billed based on a one-month period, not the entire first quarter.

You will be notified with a quarterly statement of your quarterly fee no later than the time the fee is automatically deducted from your account. You are always encouraged to verify that the fee charged is accurate, and to alert Mr. Hucks if ever there is a misunderstanding of any kind.

Fees may be negotiated depending upon services provided. Asset management service has a minimum annual fee of \$400 per client, but may be waived to accommodate smaller accounts. Clients may terminate investment advisory contracts at any time with five business days’ written notice. No refund policy is necessary since all charges are in arrears after service is provided.

Rising Tide, Inc. also provides financial planning services including but not limited to: retirement planning, college funding, insurance and estate analysis. **These services are billed at an hourly rate of \$150.** These fees are not negotiable, but may be offset by fees or commissions earned as a result of the financial planning process. The client is free to implement any recommendations through any source he/she deems appropriate and retains absolute discretion over financial product purchases.

5. Performance-based fees and “side-by-side” management

Rising Tide, Inc. has neither performance-based fees nor “side-by-side” management. Performance-based fees are based on setting targets and agreeing on incentive compensation. Side-by-side management refers to situations where the same fund manager simultaneously manages mutual funds and hedge funds.

6. Types of clients

Rising Tide, Inc.:

- Generally provides investment advice to individuals; pension and profit sharing plans; trusts, estates and charitable organizations; and corporations or business entities.
- Specializes in working with university faculty and staff. Rising Tide is authorized to provide investment management

services for TIAA-CREF and Fidelity Investments, specifically for the University of North Carolina system Optional Retirement Program (ORP) and 403-B voluntary assets. Charles Schwab and Company, Inc. also serves as custodian for many client assets. Rising Tide is neither directly affiliated with any university, nor compensated by any university vendor.

7. Methods of analysis, investment strategies and risk of loss

Rising Tide, Inc. uses an asset allocation model based on risk, reward and time frame analysis. Security analysis methods include charting, fundamental, technical and cyclical.

The main sources of information for investment analysis include financial newspapers and magazines; inspections of corporate activities; research materials prepared by others; timing services; annual reports, prospectuses and SEC filings; and company press releases.

Investment strategies used to implement any investment advice given to clients include long-term purchases (securities held at least one year); short-term purchases (securities sold within a year); short sales; and margin transactions.

8. Disciplinary information

Neither Timothy C. Hucks nor Rising Tide, Inc. have ever been the subject of formal investigations and disciplinary actions initiated by regulators, customer disputes, certain criminal charges and/or convictions, as well as financial disclosures, such as bankruptcies and unpaid judgments or liens.

9. Other financial industry activities and affiliations

Mr. Hucks undergoes continuing education requirements under the supervision of three industry organizations:

- As a Certified Estate Planner® with the National Institute of Certified Estate Planners (NICEP). www.nicep.org
- As a General Securities Principal and Representative with the Financial Industry Regulatory Authority (FINRA). www.finra.org
- As an agent for life, health, annuity and long-term care insurance with the N.C. Department of Insurance. www.ncdoi.com

Mr. Hucks is also a registered member of University Retirement Specialists, LLC.

10. Code of ethics, participation or interest in client transactions and personal trading

Mr. Hucks strictly adheres to the SEC’s Investment Advisers Code of Ethics rules regarding five specific areas of concern – Personal Trading, Holdings Report Filings, Report Filing Exceptions, Initial Public Offerings and Non-Public Information.

Simply put, these codes are followed in order to:

- Prevent conflicts of interest,
 - Promote transparency,
 - Mandate full disclosure, and
 - Encourage ethical behavior in every aspect of operations.
- More specifically, per the Rising Tide, Inc. **Mission Statement**:
- Our success depends completely on our relationship with you.
 - We are dedicated to providing honest and quality financial services for university faculty and staff, individuals and families, professionals and small businesses.
 - We promise to develop a clear understanding of your personal and financial goals with complete respect for your risk tolerance.
 - We will implement and monitor plans and strategies to efficiently achieve stated goals.
 - Your financial success is our ultimate measure.

Regarding **interest in client transactions**, when so requested by the client, Mr. Hucks may execute securities sales in his capacity as a registered representative of Capital Investment Group, Inc. Generally, product sales for Commission will not be involved under an investment advisory agreement. All potential conflicts of interest are disclosed and brokerage services may be

affected from any source at the client’s discretion.

Regarding **personal trading**, Mr. Hucks may own mutual funds, stocks, bonds or other investment or insurance instruments also owned by clients of Rising Tide, Inc. No front running on stock purchases is allowed and full disclosure is made to any affected client.

11. Brokerage practices

Rising Tide, Inc. reserves the right to impose a minimum annual fee (currently \$400).

12. Review of accounts

All accounts are reviewed quarterly and monitored on a daily basis. Specific account reviews may be more frequent if market conditions dictate. Mr. Hucks performs all reviews for all accounts based on client needs, risk tolerance and market/investment conditions.

All clients receive monthly or quarterly statements from the custodian (e.g., Charles Schwab, Fidelity, TIAA-CREF). Rising Tide, Inc. provides quarterly performance (i.e., Return On Investment/Internal Rate of Return) reports.

13. Client referrals and other compensation

Mr. Hucks prefers to recommend Charles Schwab & Co., Inc. for low trading cost, no transaction fee mutual funds, no load funds and excellent back office support for client accounts.

Neither Rising Tide, Inc. nor Mr. Hucks are paid any commissions or service fees from Charles Schwab. University retirement accounts are managed through Fidelity Investments or TIAA-CREF.

Mr. Hucks and Rising Tide, Inc. may enter into agreements with solicitors who refer clients to the advisor. Such persons may be paid a percentage of specific client fees received. Payment is subject to a solicitor agreement and is disclosed on the client’s investment management contract. There are currently no such agreements active.

14. Custody

Charles Schwab and Company, Inc. serves as custodian for most client assets of Rising Tide, Inc. Contact Charles Schwab and Company, Inc. at (866) 855-9102 or www.schwab.com.

Other custodians of client assets include **Fidelity Investments**, at (800) 343-3548 or www.fidelity.com and **TIAA-CREF**, at (800) 842-2252 or www.tiaa-cref.org.

Neither Mr. Hucks nor Rising Tide, Inc. maintain custody of any funds whatsoever.

15. Investment discretion

Investment discretion means the sole or shared authority to determine securities to be bought or sold, amount of the securities to be bought or sold, and broker or dealer to be used and commission rates paid on behalf of a client.

Rising Tide, Inc. is authorized to execute purchases and sales of securities on clients’ behalf without consulting client regarding each sale or purchase.

16. Voting client securities

Rising Tide, Inc. will vote in proxy for clients upon request per the following policies and procedures:

- Vote in the best interests of clients.
- Address material conflicts of interest if such arise.
- Make information about proxy voting available to clients.
- Make proxy votes available to clients.

17. Financial information

Neither Mr. Hucks nor Rising Tide, Inc. have custody of client funds or securities, or require prepayment of any kind.

18. Requirements for state-registered advisers

Any and all information required by the State of North Carolina is already included elsewhere in this brochure.

If you have any questions about this brochure or its contents, please do not hesitate to contact me or any of the organizations listed.

