

Item 1 – Cover Page



Buff Capital Management

BUFF CAPITAL MANAGEMENT

Form ADV Part 2

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www.buffcapital.com**

March 30, 2012

This Brochure provides information about the qualifications and business practices of Buff Capital Management. This Brochure has been provided to you as required by the United States Securities and Exchange Commission (SEC). If you have any questions about the contents of this Brochure, please contact Gayle Buff at (617) 641-2377 or gayle@buffcapital.com.

Buff Capital Management is registered with the Securities and Exchange Commission.

The SEC would like me to remind you that the information in this Brochure has not been approved or verified by it or by any state securities authority. Nor does registration imply a certain level of skill or training.

Additional information about Buff Capital Management is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

New SEC rules require that Buff Capital Management change our registration from the SEC to Massachusetts State registration. Since my last update on March 30, 2011, Buff Capital Management's registration with the State of Massachusetts is pending. There are no other material changes to report since our last update.

Currently, our Brochure may be requested by contacting me at (617) 641-2377 or gayle@buffcapital.com. Our Brochure is also available on our web site www.buffcapital.com.

Additional information about Buff Capital Management is available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with Buff Capital Management who are registered, or are required to be registered, as Buff Capital Management representatives.

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Item 4 – Advisory Business

The firm was formed in 1989 by Gayle Buff, who makes all investment decisions. Based in Newton Highlands, Massachusetts, Buff Capital Management is registered with the SEC and principally serves individuals and families. Other clients may include nonprofit organizations and retirement plans. In addition to its investment management services, Buff Capital Management does a limited amount of financial consulting.

Based on your individual needs, our goal is long-term growth of income and capital in broadly diversified portfolios to help minimize portfolio risk and preserve principal. We begin by establishing a long-term investment program, taking into account your tax status, special circumstances and investment objectives. The essentials of this plan include the need for current income, specific growth objective, ability and willingness to take on risk, and your expectation of future principal and income needs. After being reviewed and accepted by you, the investment plan serves as the focal point for future investment decisions. Care is taken to update or revise the plan in response to changes in your situation.

The current amount of clients' assets managed on a discretionary basis is \$50,700,000 as of December 31, 2011. No assets are managed on a non-discretionary basis. Buff Capital Management receives discretion as to the securities that are bought and sold and the amount to be bought and sold for your account. This discretion is exercised in the context of an overall investment plan that is established when opening your account and is reviewed periodically to ensure we continue to be responsive to your requirements.

Item 5 – Fees and Compensation

Our advisory fees are non-negotiable and are based on the market value of the assets under management. These fees are charged quarterly in arrears and calculated on the market value of the assets at the close of the calendar quarter as follows:

- | Annual Management Fee | Assets under Management |
|---|-------------------------|
| • 1.0% of the value of the Account, up to the first \$2,000,000, plus | |
| • 0.8% of the value of the Account, over \$2,000,000 up to \$5,000,000, plus | |
| • 0.4% of the value of the Account, over \$5,000,000 up to \$10,000,000, plus | |
| • 0.2% of the value of the Account, over \$10,000,000. | |

Example of quarterly fee calculation, for account balance of \$5,500,000:

Account balance at December 31: \$ 5,500,000			
Fee on January 15:	\$ 2,000,000 x 1.0% x .25 =		\$5,000
	\$ 3,000,000 x 0.8% x .25 =		\$6,000
	\$500,000 x 0.4% x .25 =		<u>\$500</u>
	Fourth quarter fee .		<u>11,500</u>

i – Client Fees

No fees are assessed in advance and adjustments are made for any material additions or withdrawals during the quarter on a pro rata basis. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. You will always receive an invoice whenever a fee is assessed. The fee is debited directly from your account by the preferred custodian, Charles Schwab & Co., Inc. (see *Item 12 – Brokerage Practices* for a detailed discussion of Buff Capital Management's preferred custodian and brokerage practices).

Buff Capital Management does not require you to pay our fees in advance nor does Buff Capital Management accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

You may be able to obtain similar advisory services from other advisors for lower fees. You should also be aware that mutual funds whose shares may be held in your account have advisory and other fees and expenses paid directly from the fund's assets. These are separate from and in addition to the advisory fee you pay us. These fees and expenses are described in each fund's or ETF's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee for mutual funds. You may, of course, deal directly with the mutual fund or ETF without our services. In that case you would not receive the services provided by Buff Capital Management, which are designed, among other things, to assist you in determining which fund or ETFs are most suited to meeting your objective.

If an investment product is purchased through a broker other than Charles Schwab & Co., Inc. (see *"Item 12 – Brokerage Practices"* for a detailed discussion of Buff Capital Management's preferred custodian and brokerage practices), Buff Capital Management's preferred custodian, you may incur an additional fee. You will also incur transaction fees when securities are bought and sold. Accordingly, you may want to review both the fees charged by funds and ETFs and the fees charged by Buff Capital

Management to fully understand the total amount of fees you will pay to evaluate the advisory services being provided.

You may incur certain charges imposed by custodians, brokers, and other third parties such as transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. These charges and fees are separate from and in addition to Buff Capital Management's fee, and Buff Capital Management shall not receive any portion of these fees, and costs.

Buff Capital Management does a limited amount of financial consulting that is billed on an hourly basis.

Item 6 – Performance-Based Fees and Side-By-Side Management

Buff Capital Management does not charge any performance-based fees, that is, fees based on a share of capital gains on or capital appreciation of the assets in your account. We do not engage in side-by-side management and we do not manage your account using hedge funds or other pooled investment vehicles.

Item 7 – Types of Clients

We provide portfolio management services primarily to individuals and families. These include individual, retirement and trust accounts. Other clients may include nonprofit organizations and retirement plans. We require a minimum of \$750,000 in assets to open and maintain an account. We may occasionally waive this requirement, depending on client circumstance.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

First and foremost, when formulating investment advice, we seek to understand your unique needs and to help you clarify and meet your investment objectives. We meet those objectives by allocating your assets appropriately across asset classes (stocks, bonds, and cash).

At the core of our investment strategy is our value approach that emphasizes protection of your assets and the creation of value over time. We attempt to avoid significant swings in portfolio value by investing with an eye to what could go wrong and preferring to hold a sufficiently diversified portfolio to help modulate the ups and downs that will inevitably occur. We generally hold securities from leading companies with solid financial strength. We normally will avoid owning the “high flyers”, that is, securities that are “hot” and trading at a price that appears to us to represent a premium to their actual worth. Investments are made with a long-term horizon, utilizing stocks of publicly traded companies, high quality bonds issued by the Treasury, states, and corporations, ETFs, and occasionally mutual funds.

We are primarily long-term in our focus; however, during periods when we believe equities are over-valued, we will place more emphasis on cash equivalents and fixed income securities. We do not buy securities on margin, engage in short selling or option trading.

Investment in all securities involves risk. The value of stocks and bonds and the income derived from them may fall as well as rise and you may not recoup the original amount invested. An investment may also be affected by any changes in regulation, tax laws, international, political and economic developments, and government, economic or monetary policies.

Item 9 – Disciplinary Information

No one at Buff Capital Management has ever been the subject of a legal or disciplinary action by any governing body, including the SEC that is material to your evaluation of our advisory business or the integrity of our management. Any disciplinary history of Buff Capital Management and Gayle Buff can be obtained from the Massachusetts Securities Division, located at 1 Ashburton Place, Room 1701, Boston, MA 02108.

Item 10 – Other Financial Industry Activities and Affiliations

Buff Capital Management does not maintain relationships or arrangements that are material to our advisory business or to you with: broker-dealer, municipal securities dealer, or government securities dealer or broker; investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund); futures commission merchant, commodity pool operator, or commodity trading advisor; banking or thrift institution; accountant or accounting firm; insurance company or agency; pension consultant; real estate broker or dealer; sponsor or syndicator of limited partnerships. Buff Capital Management receives no additional compensation from any third party in connection with giving advice to you and does not directly or indirectly compensate any person for client referrals, and we do not maintain other business relationships with advisors that would create a material conflict of interest for you.

Item 11 – Code of Ethics

Buff Capital Management has adopted a formal Code of Ethics, which establishes rules of conduct for all employees of Buff Capital Management and is designed to, among other things; govern personal securities trading activities in the accounts of employees. The Code is based upon the principle that Buff Capital Management and its employees

owe a fiduciary duty to you to conduct our affairs, including personal securities transactions, in such a manner as to avoid serving our own personal interests ahead of yours, and any actual or potential conflicts of interest or any abuse of our position of trust and responsibility.

The Code is designed to ensure that the high ethical standards long maintained by Buff Capital Management continue to be applied. The purpose of the Code is to preclude activities which may lead to or give the appearance of conflicts of interest, insider trading and other forms of prohibited or unethical business conduct. The excellent name and reputation of Buff Capital Management continues to be a direct reflection of our conduct.

i – Avoidance of Conflicts of Interest

We will not recommend the purchase or sale of securities for your account in which Buff Capital Management's personnel or related persons have a material financial interest. Your interests will be at all times placed first. Gayle Buff may buy and sell securities for her own account that she recommends to you and that do not represent a material financial interest, but to protect against an actual conflict of interest, she will never trade ahead of you, or do anything that would be contrary to putting your interests first.

You may request a copy of the firm's Code of Ethics by contacting Gayle Buff.

Item 12 – Brokerage Practices

i – The Custodian and Brokers Buff Capital Management Uses

Buff Capital Management does not maintain custody of the assets that we manage, although we may be deemed to have custody of your assets when you give us authority to withdraw assets from your accounts (see *Item 15 – Custody* below). We recommend that you use Charles Schwab & Co., Inc. ("Schwab"), as a registered broker-dealer, member SIPC, as the qualified custodian. Buff Capital Management is independently owned and not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when directed by us. While we recommend that you use Schwab as custodian, you may decide whether or not to do so. You may open your account with Schwab by entering into an agreement directly with Schwab and facilitated by Buff Capital Management. Please note that not all advisers require you to use a particular broker-dealer or other custodian selected by the adviser. Even though your accounts are maintained at Schwab, Buff Capital Management can still use other brokers to execute trades for client accounts as described below (see "*Your Brokerage and Custody Costs*").

ii – How Buff Capital Management Selects Custodians

Buff Capital Management seeks a custodian who will hold client assets and execute transactions on terms that are, overall, most advantageous when compared to other

available providers and their services. Buff Capital Management considers a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services (without a separate fee for custody)
- Capability to execute, clear, and settle trades
- Capability to facilitate transfers and payments to and from accounts
- Breadth of available investment products (stocks, bonds, mutual funds, ETFs, etc.)
- Quality of services, competitiveness of the price of those services (fees, etc.) and willingness to negotiate prices

iii – Buff Capital Management’s Brokerage and Custody Costs

Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab accounts. In addition to these fees, Schwab charges you a flat dollar amount as a “prime broker” or “trade-away” fee for each fixed or income bond trade that Buff Capital Management has executed with a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are paid to the executing broker-dealer.

iv – Products and Services Available to Buff Capital Management from Schwab

Buff Capital Management will not accept any “soft dollar” benefits from any broker-dealer in relation to bond transactions for advisory clients. Buff Capital Management participates in Schwab Advisor Services™ (formerly called the Schwab Institutional service program). While there is no direct linkage between the investment advice given and participation in the Schwab Advisor Services™ program, Schwab provides Buff Capital Management with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor’s clients’ assets is maintained in accounts at Schwab and is not otherwise contingent upon Buff Capital Management committing to Schwab any specific amount of business. Schwab’s services include brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Schwab also offers other products and services that assist Buff Capital Management in managing and administering your accounts. These include software and other technology that provide access to your account data (such as trade confirmations and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of Buff Capital Management’s fees from your account;

and assist with back-office functions, recordkeeping and client reporting. Schwab Advisor Services™ also makes available to Buff Capital Management other services intended to help us manage and further develop our practice. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing.

In addition, Schwab may make available, arrange and/or pay for these types of services rendered to Buff Capital Management by independent third parties. Schwab may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees for a third-party providing these services to Buff Capital Management. While as a fiduciary, Buff Capital Management seeks to act in your best interests, our recommendation that you maintain your assets in accounts at Schwab may be based, in part, on the benefit to Buff Capital Management of the Schwab Advisor Services™ program, which may create a potential conflict of interest.

v – Trade Aggregation

Buff Capital Management may use block trades when advantageous to you. This blocking of trades permits the trading of aggregate blocks of securities composed on assets from multiple clients' accounts so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block. Block trading allows us to execute security trades in a timely, equitable manner and to reduce overall commission charges to you. Best efforts are made to aggregate trade orders whenever possible. No personal trades will ever be included in any client blocks.

Item 13 – Review of Accounts

Portfolios are reviewed on an ongoing basis by Gayle Buff with respect to current events, market developments, and your needs. Buff Capital Management recommends meetings with you at least annually, and, in some cases, more often, to review investment outlook, investment goals and objectives, investment policies and strategies, procedures, and your portfolio positions. More frequent reviews may be triggered by changes in the market, political or economic conditions, or at your request. We initiate communication with you as appropriate. Buff Capital Management's appraisals of your portfolio are sent quarterly or more frequently upon your request. Appraisal reports include information about portfolio positions, cost and market value, and gains and losses, among other things.

Item 14 – Client Referrals and Other Compensation

Buff Capital Management does not accept compensation of any kind for client referrals.

Item 15 – Custody

Schwab sends monthly account statements directly to you. You may wish to carefully review both the statements from Schwab and those from Buff Capital Management. All Buff Capital Management's quarterly reports contain a notation urging you to compare the account statements you receive from Schwab with those you receive from us. Buff Capital Management is deemed to have custody of your assets if, for example, you provide authorization for us to instruct Schwab to deduct our advisory fees directly from your account or if you grant us authority to move your money to another account.

Item 16 – Investment Discretion

Buff Capital Management only accepts discretionary authority to manage securities accounts on your behalf. You grant discretionary authority on Buff Capital Management's engagement letter for investment services as well as Schwab's new account agreement. This discretion is exercised in the context of an overall investment objective that is established when opening client accounts and is reviewed periodically.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, Buff Capital Management does not have authority to and does not vote proxies on your behalf. You retain the responsibility for receiving and voting proxies for all securities maintained in your portfolios. You will receive proxies and other solicitations directly from Schwab or a transfer agent. You may always contact us with any questions or information you may have about proxy voting; we will not be considered to have voting authority as a result of any advice to you.

Item 18 – Financial Information

Buff Capital Management does not require or solicit prepayment of client fees and has no financial condition that impairs our ability to meet contractual and fiduciary commitments to you.

Item 19 – Requirements for State-Registered Advisers

i – Education and Business Background on Buff Capital Management's Chief Executive Officer

Gayle Buff has been President and Chief Investment Officer of Buff Capital Management since 1989 when she founded the firm. Ms. Buff was born in 1951 and received her B.S. degree from Northeastern University in 1974, an M.S. degree from Boston University in 1975 and her M.B.A. degree from Northeastern University in 1985. In addition, she holds a Certificate of International Study from the Nyenrode Business University in Breukelen, Netherlands (1985). Prior to founding Buff Capital Management, Ms. Buff was an Adjunct Professor at Northeastern University College of

Business and, later, an instructor for Bentley College, Boston University, and the Boston Security Analyst Society. She holds both the Certified Financial Planner (CFP™ 1989) and Chartered Financial Analyst (CFA 1997) designation.

CFP™ is issued by the Certified Financial Planner Board of Standards, Inc. Candidates for the CFP credential must have a bachelor's degree or higher from an accredited college or university, and 3 years of full-time personal financial planning experience. Candidates must also complete a CFP-board registered program and successfully pass the required Certification Examination. Continuing education requirements consist of 30 hours of training covering a wide range of financial planning topics, including 2 hours of ethics and professional conduct, every two years. The program itself covers a broad array of financial topics that include professional standards of practice and code of conduct, time-value of money concepts, budgeting, investments, taxation, retirement, estate and trusts, and also planning for families that have special needs and are non-traditional.

CFA charter is issued by the CFA Institute. Prerequisites and experience include an undergraduate degree and 4 years of professional experience involving investment decision-making, or 4 years of qualified work experience that is full time but not necessarily investment related, and after successful completion of three examinations, join the CFA Institute as a member, and commit to abide by, and annually reaffirm, adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct. The program involves approximately 300 hours of self-study for each of three consecutive levels in which successful sequential completion of each of three six-hour exams is required to obtain the CFA charter. Since 1963, the CFA charter has become a globally respected, graduate-level investment credential and the CFA Institute is recognized as the largest global association of investment professionals. The CFA curriculum is designed specifically for finance and investment professionals, with a rigorous focus on ethics, portfolio management, financial analysis and valuation of stocks, bonds, and alternative and derivative assets.

ii – Disclosures About Business Activities and Other Required Information

Buff Capital Management devotes approximately 99% of its personnel and resources to performing investment advisory activities and approximately 1% to financial consulting activities. We expect that 99% of our billings will originate from discretionary investment account management services and 1% from financial consulting services.

In addition to investment advice, we occasionally provide financial consulting services. Consultation services are billed on an hourly basis. All fees for financial consulting services are payable upon the completion of the work.

As outlined in Items 5 and 6, neither Buff Capital Management nor Gayle Buff is compensated with performance-based fees.

As outlined in Item 10, neither Buff Capital Management nor Gayle Buff has any relationship or arrangement with any issuer of securities. Gayle Buff is not actively engaged in any investment-related business outside of her work with Buff Capital Management.

As outlined in item 9, neither Buff Capital Management nor Gayle Buff has ever been subject to any legal or disciplinary events material to Buff Capital Management's clients or prospective clients.

Neither Buff Capital Management nor Gayle Buff has been involved in any legal dispute that resulted in an award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500 or an award or otherwise being found liable in a civil, self-regulatory organization or administrative proceeding, or has been the subject of a bankruptcy petition.

Gayle Buff regularly meets with colleagues in various professional meetings in which she is a member. These meetings are educational in nature and serve to keep her up to date with the current industry thinking as well as providing an opportunity to expand her skills and professional development.

Under Buff Capital Management's Privacy Policy, your client information will never be released to any unauthorized parties. Sensitive documents are shredded before being discarded. A copy of our Policy is delivered to you on an annual basis and at your request at any time.