

Policy Statement On Insider Trading

September 9, 2009

L. Thomas Robertson and federal law forbid anyone from engaging in insider trading, which have been defined by case law:

- trading, either personally or on behalf of others, while in possession of material non-public information, if the trader is an insider or if the trader obtained the information by misappropriation
- communicating material non-public information to others in violation of the law

The elements of insider trading and the penalties for such unlawful conduct are discussed in the following.

- A. Who is an insider? The concept of "insider" is broad. It includes officers, directors, and employees of a company. In additions, any person can be a "temporary insider" if he or she enters into a special confidential relationship with a company and is given material access to non-public information.
- B. What is material information? Trading while in possession of insider information is not a violation unless the information is material. There are tests of materiality: (a) a reasonable investor would consider the information important to his or her investment decisions, or (b) the information could have a substantial effect on the price of a company's securities.

Material information does not have to relate to a company's business. For example, in *Carpenter v. U.S.*, 108 U.S. 316 (1987), the Supreme Court considered as material certain information about the content of a forthcoming newspaper column that was expected to affect the market price of a security. In that case, a Wall Street Journal reporter was found criminally liable for disclosing to others the dates that reports on various companies would appear in the Journal and whether those reports would be favorable or not.

- C. What is non-public information? Information is non-public until it has been effectively communicated to the market place. One must be able to point to some fact to show that the information is generally public. For example, information found in a report filed with the SEC, broadcasted over the Dow Jones news wire or other financial news service, or contained in articles in publication of general circulation, such and the Wall Street Journal or Barron's, would be considered public.
- D. Penalties for insider trading. In addition to the severe civil and criminal penalties, any violation of this policy statement can be expected to result in serious sanctions by L. Thomas Robertson, including dismissal of the persons involved.

L. Thomas Robertson and his associated persons recognize their obligation to refrain from acting upon or disclosing material, non-public ("inside") information obtained directly, or indirectly, in the course of their employment or from other sources. In this regard, all Robertson Advisroy Inc. officers, employees, and Registered Representatives, on an annual basis, acknowledge and affirm in writing both their awareness of the legal and ethical consideration involved with the receipt of such information, and that they have not in the past, nor will in the future, misuse any such information in any manner for their own, the firm's, or any other person's benefit.

Robertson Advisory Inc. and federal law forbid anyone from engaging in insider trading, which have been defined by case law as:

- trading, either personally or on behalf of others, while in possession of material non-public information, if the trader is an insider or if the trader obtained the information by misappropriation
- communicating material non-public information to others in violation of the law

The elements of insider trading and the penalties for such unlawful conduct are discussed in the following.

- A. Who is an insider? The concept of "insider" is broad. It includes officers, directors, and employees of a company. In additions, any person can be a "temporary insider" if he or she enters into a special confidential relationship with a company and is given material access to non-public information.
- B. What is material information? Trading while in possession of insider information is not a violation unless the information is material. There are tests of materiality: (a) a reasonable investor would consider the information important to his or her investment decisions, or (b) the information could have a substantial effect on the price of a company's securities.

Material information does not have to relate to a company's business. For example, in *Carpenter v. U.S.*, 108 U.S. 316 (1987), the Supreme Court considered as material certain information about the content of a forthcoming newspaper column that was expected to affect the market price of a security. In that case, a Wall Street Journal reporter was found criminally liable for disclosing to others the dates that reports on various companies would appear in the Journal and whether those reports would be favorable or not.

- C. What is non-public information? Information is non-public until it has been effectively communicated to the market place. One must be able to point to some fact to show that the information is generally public. For example, information found in a report filed with the SEC, broadcasted over the Dow Jones news wire or other financial news service, or contained in articles in publication of general circulation, such and the Wall Street Journal or Barron's, would be considered public.
- D. Penalties for insider trading. In addition to the severe civil and criminal penalties, any violation of this policy statement can be expected to result in serious sanctions by L. Thomas Robertson, including dismissal of the persons involved.

Robertson Advisory Inc. and its associated persons recognize their obligation to refrain from acting upon or disclosing material, non-public ("inside") information obtained directly, or indirectly, in the course of their employment or from other sources. In this regard, all Robertson Advisroy Inc. officers, employees, and Registered Representatives, on an annual basis, acknowledge and affirm in writing both their awareness of the legal and ethical consideration involved with the receipt of such information, and that they have not in the past, nor will in the future, misuse any such information in any manner for their own, the firm's, or any other person's benefit.

Securities and advisory services offered through LPL Financial, a registered investment advisor. Member of FINRA/SIPC. Financial planning offered through Robertson Advisory Inc a registered investment advisor and separate entity.