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**FORM ADV Uniform Application for Investment Adviser Registration**

**Part II - Page 1**

Name of Investment Adviser: Sandhill Investment Management					
Address:	(Number and Street)	(City)	(State)	(Zip Code)	Area Code: Telephone Number
	360 Delaware Avenue, Suite 402	Buffalo	NY	14202	(716) 852-0279

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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(Schedule 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)
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Potential person who are to respond to the collection of informatin contained in this form  
are not required to respond unless the form displays a currently valid OMB control number.

**1. A. Advisory Services and Fees.** (check the applicable boxes)

For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)

**Applicant:**

- (1) Provides investment supervisory services..... 100 %
- (2) Manages investment advisory accounts not involving investment supervisory services..... \_\_\_\_\_ %
- (3) Furnishes investment advice through consultations not included in either service described above..... \_\_\_\_\_ %
- (4) Issues periodicals about securities by subscription..... \_\_\_\_\_ %
- (5) Issues special reports about securities not included in any service described above..... \_\_\_\_\_ %
- (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities ..... \_\_\_\_\_ %
- (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities..... \_\_\_\_\_ %
- (8) Provides a timing service..... \_\_\_\_\_ %
- (9) Furnishes advice about securities in any manner not described above..... \_\_\_\_\_ %

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

**B** Does the applicant call any of the services it checked above financial planning or some similar term?  Yes  No

**C** Applicant offers investment advisory services for: (check all that apply)

- (1) A percentage of assets under management  (4) Subscription fees
- (2) Hourly charges  (5) Commissions
- (3) Fixed fees (not including subscription fees)  (6) Other

**D** For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

**2. Types of Clients** - Applicant generally provides investment advice to: (check those that apply)

- A. Individuals  E. Trusts, estates, or charitable organizations
- B. Banks or thrift institutions  F. Corporations or business entities other than those
- C. Investment companies  G. Other (describe on Schedule F)
- D. Pension and profit sharing plans

**3. Types of Investments.** Applicant offers advice on the following: (check those that apply)

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

**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 type="checkbox"/> Cyclical                      |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input 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 checked="" 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 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<br>(securities held at least a year) | (5) <input type="checkbox"/> Margin transactions   |
| (2) <input checked="" type="checkbox"/> Short term purchases<br>(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 type="checkbox"/> Other (explain on Schedule F)   |
| (4) <input type="checkbox"/> Short sales   |  |

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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 checked="" 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.)

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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.

See Item 11 A on Schedule F

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

See Item 11 B on Schedule F

**12. Investment or Brokerage Discretion.**

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

(For each yes, describe the arrangements on Schedule F.)

**14. Balance Sheet.** Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

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

Has applicant provided a Schedule G balance sheet? .....  Yes  No

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**Item 1. A. (1)**

Sandhill Investment Management referred to as the "Company", intends to offer the following investment advisory services to clients:

The company will provide asset management services to its clients. The program will include the following:

a. Investor Profile - The Company consults with the client to obtain detailed financial information and other pertinent data. After conversations with the client, the Company determines the appropriate investment guidelines, risk tolerance and other factors that will assist in ascertaining the investments to be made that are suitable for the account(s). An asset allocation model is chosen for the client. An equity profile is established for the client to determine which stocks are appropriate for purchase.

b. Portfolio Management Selection - Based on the client's equity profile and asset allocation, the Company provides asset management of the client's capital. The Company diversifies and manages the client's portfolio. Although accounts may own many of the same securities, the Company manages the accounts on an individualized basis. Further restrictions and guidelines imposed by clients may affect the composition and performance of individual portfolios. As such, investment portfolios with the same asset allocation, equity profile, and investment objective may differ.

c. Performance Evaluation and Monitoring Services - The custodian of the account will provide monthly and/or quarterly statements. The Company also will maintain account performance with Axys (performance accounting software from Advent) and may discuss account performance with the client from time to time.

d. Discretionary Authority - The client will grant the Company discretionary authority to buy and sell securities.

The fees for the above services is 1.00% of assets under management. The fee is payable in advance on a quarterly basis. In certain instances, the fee may be negotiable. The valuation of the account(s) will be based on the closing prices of the securities held in the portfolio(s) on the last day of the month prior to the quarterly billings. For account(s) that are opened in the middle of any billing cycle, an invoice for the "stub" period will be submitted to the client's custodian. Either party may terminate the advisory agreement at any time. The client may terminate this agreement within five business days of its signing without penalty and a full refund will be provided. Thereafter, the client or the Company may terminate this agreement by notifying the other in writing and termination will become effective after 30 days of receipt of the notice. Fees paid in advance hereunder will be prorated to the date of termination specified in the notice of termination, and any unearned portion thereof will be refunded to the client. However, termination will not affect either the client's or the Company's responsibilities under this agreement for previously initiated transactions or for balances due in the account upon termination. Upon termination, the Company will have no further obligation to act or advise with respect to any account.

The custodian of the account will hold all customer assets. The Company will not hold customer funds or securities.

The client may grant the Company the authority to receive quarterly payments directly from the client's account held by an independent custodian. Accordingly, the client will provide, in writing, limited authorization to withdraw the contractually agreed upon fees from the account. The custodian of the account is advised in writing of the limitation on the Company's access to the account. The custodian will also send to the client a statement, at least quarterly, indicating all the amounts disbursed from the account including the amount of advisory fees paid directly to the Company.

GENERAL NOTES: Assets invested in mutual funds are paying two advisory fees, an investment advisory fee to the Company on the mutual funds managed and an additional advisory fee to the mutual fund managers. A description of these and other expenses are available in each fund's prospectus.

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The Company will not be compensated on the basis of a share of capital gains or on capital appreciation of the funds or any portion of the funds of the client.

All information and advice furnished by either party, including their agents and employees, shall be treated as confidential and not disclosed to third parties except as agreed upon in writing or required by law.

**Item 5**

The Company will require individuals providing investment advice to have formal education, investment experience, and regulatory licenses (e.g. Series 65). They are also required to be properly licensed and registered, unless exempted, in states in which such individuals are conducting investment advisory business.

**Item 6.**

**Elizabeth Greno** DOB: 06/22/56

Education Background

The College of Wooster 1978 - BA

Wooster, OH Religion & Art

Business Background

Sandhill Investment Management 12/03 - Present

Partner

Trubee, Collins & Co., Inc. 03/09 - Present

Financial Consultant

O'Keefe Shaw & Co., Inc. 07/00 - 03/19

Financial Consultant

The Legend Group 10/95 - 07/00

Administrative Assistant

**Edwin M. Johnston III** DOB: 06/30/60

Education Background

Yale University 1982 -BA

New Haven, CT History

Boston University 1991 - MA

Boston, MA Finance

Business Background

Sandhill Investment Management 12/03 - Present

Managing Partner

Sandhill Life and Health 03/07 - Present

Partner

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<p>O'Keefe Shaw &amp; Co., Inc. 10/02 - 2/04 President</p> <p>Harold C. Brown &amp; Co., Inc. 07/95 - 10/02 Portfolio Manager</p> <p><b>Kelly A. Marshall</b> DOB: 06/05/76</p> <p>Education Background Niagara University 1998 - BBA Lewiston, NY Accounting</p> <p>Business Background Sandhill Investment Management 10/04 - Present Partner Chief Operating/Compliance Officer</p> <p>Sandhill Life and Health 3/07 - Present Managing Partner</p> <p>A&amp;G Accounting Services 6/04 - 12/06 Partner</p> <p>M&amp;T Mortgage Corporation 4/01 - 5/04 Supervisor</p> <p>M&amp;T Bank - Audit Department 6/98 - 3/01 Supervisor</p> <p><b>Larry S. Stolzenburg</b> DOB: 04/24/56</p> <p>Education Background Niagara University 1978 - BBA Lewiston, NY Accounting</p> <p>Business Background Sandhill Investment Management 06/08 - Present Partner</p> <p>Larry S. Stolzenburg, CPA, P.C. 01/83 - Present President</p> <p><b>Gary M. Stott</b> DOB: 05/17/50</p> <p>Education Background Canisius College 1972 - BS Buffalo, NY Accounting</p>
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<p>Business Background Sandhill Investment Management 12/07 - Present Partner</p> <p>GS Consulting 1/98 - Present President</p> <p>Supplemental HealthCare Services 4/94 - 12/97 Vice Presidet</p> <p>Dunhill Staffing 11/88 - 5/94 President</p> <p>Wayne S. Mello &amp; Associates 4/87 - 11/88 Regional Vice President</p> <p>Robert Half 11/79 - 3/87 Placement Manager</p> <p>Sisters Hospital 10/75 - 1/79 Business Manager</p> <p>PriceWaterhouseCoopers 1/72 - 10/75 Senior Accountant</p> <p><b>Matthew J. Wiens</b> DOB: 11/24/75</p> <p>Education Background St. Bonaventure University 1997 - BBA Olean, NY Finance</p> <p>Business Background Sandhill Investment Management 12/03 - Present Partner</p> <p>O'Keefe Shaw &amp; Co., Inc. 10/02 - 2/04 Research Analyst</p> <p>Harold C. Brown 05/00 - 10/02 Research Analyst</p> <p>M&amp;T Bank 12/99 - 05/00 FX Sales</p> <p>M&amp;T Bank 05/97 - 12/99 Treasury Ops</p>
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**Item 8. (c) 9**

Sandhill Life and Health is a life, accident and health insurance agency founded by Kelly A. Marshall, Kent Hilton and Edwin M. Johnston III. Sandhill Life and Health is a separate operating company from Sandhill Investment Management.

**Item 9. (e)**

The Company, related persons or related entities may buy or sell investment securities recommended to the Company's clients. Records will be maintained of all securities bought or sold by the Company, related persons, or related entities. Such records will be available for inspection upon request.

When the Company is nearing completion of due diligence on a security that may be purchased for clients, the security is placed on a restricted list and may not be bought or sold by the Company, related persons or related entities. After due diligence is completed, the security is either placed on the buy list or removed from consideration.

If the security is put on the buy list, it is generally bought in a "block" transaction through an institutional trading desk for all clients that meet suitability requirements and have available cash. Included in that block may be orders for members of the Company. Members must have a signed advisory agreement and be a client of the Company to be included in the block transaction. All blocks are average priced and members of the Company who are clients pay the same ticket charges so that there is no execution or cost advantage for members who have client accounts with the Company.

After the security is put on the buy list and purchased for the Company's clients, the security remains on the restricted list for three days (this includes the day it was put on the list). After that time, related persons and entities who are not clients of the Company may buy the security. If a security is under consideration for sale, the same rules apply with the exception that related persons and entities who are not clients of the Company may sell the security before the three day restriction period expires only if ALL clients of the Company have sold the security.

Files of securities transactions of members of the Company for accounts held outside the Company will be maintained for review to detect and resolve any conflicts. Securities transactions of members of the Company will be reviewed prior to the transactions to ensure no conflict of interest exists.

The Company has adopted a Code of Ethics which includes the above documented personal securities policy. The Code is based on the principal that the Company and its employees have a fiduciary duty to protect the interests of clients. The Code sets forth standards of business conduct regarding conflicts of interest, insider trading, personal securities transactions, confidentiality, compliance with Federal Securities laws, and reporting of code violations. To request a copy of the Company's Code of Ethics contact Kelly Marshall at (716) 852-0279 or in writing at 360 Delaware Avenue, Suite 402, Buffalo, NY 14202.

**Item 10.**

The Company requires a minimum balance of \$150,000 to open an account although some accounts of lesser size may be accepted.

**Item 11. A.**

Accounts are managed and reviewed by Edwin M. Johnston III, Managing Partner, Larry S. Stolzenburg, Partner, and Matthew J. Wiens, Partner. Clients instruct reviewers to adhere to asset allocation guidelines and to purchase equities and fixed income that are appropriate for the account. The committee will perform ongoing reviews as they receive information, which contains one of the following elements:

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- a. Information which would affect the holdings;
- b. when additional funds for investment are received;
- c. when new investment opportunities arise; and
- d. when funds are withdrawn.

Daily reviews of all prior day transactions are performed by Kelly Marshall. Edwin M. Johnston III will perform the review in Ms. Marshall's absence. The reviewer is responsible for reviewing all of the trades from the previous day.

**Item 11. B.**

All clients will receive a confirmation of every trade and quarterly statements which outline the clients' current position, security cost basis, and current market value. Clients will receive monthly account statements only if a qualifying activity occurs. The custodian will be responsible for sending periodic statements to the client. At a minimum, statements will be sent quarterly. The custodian will be responsible for sending the client and the Company confirmations of purchase and sale transactions in client's account.

**Item 12. (a1)**

For discretionary accounts, the Company has authority to determine the type and amount of securities to be bought and sold, the broker-dealer to be used and the commission rates to be paid without obtaining specific client consent. This authority shall be established upon execution by the client of the power of attorney outlined in the advisory agreement.

Although the Company maintains discretion on these accounts, the Company must adhere to the client's investment objectives including any investment restrictions and/or asset allocation guidelines.

**Item 12. (a2)**

Refer to 12 a (1)

**Item 12. (a3)**

Refer to 12 a (1)

**Item 12. (a4)**

Refer to 12 a (1)

**Item 12. (b)**

The Company's clients are free to choose their custodians and firms that will effect transactions for their advisory accounts. However, the Company may recommend certain broker-dealers. The value of products, research and services of any recommended company will be taken into consideration in making the recommendation.

The Company may recommend TD AMERITRADE INSTITUTIONAL to its clients. The Company participates in the institutional customer program offered by TD AMERITRADE INSTITUTIONAL. TD AMERITRADE INSTITUTIONAL is a division of TD AMERITRADE Inc., member NASD/SIPC ("TD AMERITRADE"), an unaffiliated SEC-registered broker-dealer and NASD member. TD AMERITRADE offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Registrant receives some benefit of TD AMERITRADE through its participation in the program. (Please see the disclosure under Item 13.A. below.)

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Clients are under no obligation to purchase or sell securities through TD AMERITRADE INSTITUTIONAL. However, if they, choose to do so, commissions may be earned by TD AMERITRADE INSTITUTIONAL which may be higher or lower than commission rates found at other broker-dealers.

The Company does not warrant or represent that commissions for transactions implemented through TD AMERITRADE INSTITUTIONAL will be lower than commissions available if clients use another brokerage firm. However, the Company believes that the overall level of service and support provided to its clients by TD AMERITRADE INSTITUTIONAL outweighs the potentially lower transaction cost available from other broker-dealers.

On occasion a member of the Company has recommended use of broker/dealer LaSalle St. Securities LLC to a client in order to trade in securities that are not available through other recommended broker/dealers.

Certain brokerage transactions may be directed to multiple broker dealers and our clients will receive slightly different execution prices on these transactions. It is always the Company's intent to provide best execution for our clients.

Where the use of specific brokers is requested by a client, the client will be required to make such appointment on a form which will become an attachment to the investment advisory agreement. Adviser may not be authorized under those circumstances to negotiate commissions and may not be able to obtain volume discounts or best execution. A disparity in commission charges may exist between the commissions charged to clients who direct Adviser to use a particular broker-dealer and other clients who do not direct Adviser to use a particular broker-dealer.

**Item 13. (a)**

As disclosed under Item 12.B. above, the Company participates in TD AMERITRADE's INSTITUTIONAL customer program and the Company may recommend TD AMERITRADE to clients for custody and brokerage services. There is no direct link between the Company's participation in the program and the investment advice it gives to its clients, although the Company receives economic benefits through its participation in the program that are typically not available to TD AMERITRADE retail investors. These benefits include the following products and services (provided without cost or at a discount): duplicate client statements or confirmations; research related products or tools; consulting services; access to a trading desk serving advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain INSTITUTIONAL money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to the Company by third party vendors. TD AMERITRADE may also have paid for business consulting and professional services received by the Company's related persons and may also pay or reimburse expenses (including travel, lodging, meals, and entertainment expenses) for the Company's personnel to attend conferences or meetings related to the program or to TD AMERITRADE's advisor custody and brokerage services generally. Some of the products and services made available by TD AMERITRADE through the program may benefit the Company but may not benefit its client accounts. These products or services may assist the company in managing and administering client accounts, including accounts not maintained at TD AMERITRADE. Other services made available by TD AMERITRADE are intended to help the Company manage and further develop its business enterprise. The benefits received by the Company or its personnel through the participation in the program do not depend on the amount of the brokerage transactions directed to TD AMERITRADE. Clients should be aware, however, that the receipt of economic benefits by the Company or its related persons on and of itself creates a potential conflict of interest and may indirectly influence the Company's recommendation of TD AMERITRADE for custody and brokerage services.

The Company also receives from TD AMERITRADE certain additional economic benefits ("Additional Services") that may or may not be offered to any other independent investment advisors participating in the program. Specifically, the Additional Services include

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partial payment of annual subscriptions to research and performance software systems. TD AMERITRADE provides the Additional Services to the company in its sole discretion and its own expense, and the Company does not pay any fees to TD AMERITRADE for the Additional Services. The Company and TD AMERITRADE have entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the Additional Services.

The Company's receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to the Company, TD AMERITRADE most likely considers the amount and profitability to TD AMERITRADE of the assets in, and trades placed for, the Company's client accounts maintained with TD AMERITRADE. TD AMERITRADE has the right to terminate the Additional Services Addendum with the Company, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain Additional Services from TD AMERITRADE and to place transactions for client accounts with TD AMERITRADE. The Company's receipt of Additional Services does not diminish its duty to act in the best interest of its clients, including to seek best execution of trades for client accounts.

Additionally, brokerage transactions may be directed to certain broker dealers in return for investment research products and services which assist the Company in its investment decision-making process. These arrangements are often called soft dollar arrangements. These products and services may be used to service all of our client's accounts, not just the accounts that pay for the services. Such products and services may include, but are not limited to, research reports, discussions with research analysts and corporate executives, seminars or conferences, financial and economic publications that are not targeted to a wide audience, market research, and market data. The research products and services may include both products and services created by such broker and products and services created by a third party.

The Company reviews its soft dollar arrangements on at least an annual basis. The Company will make a good faith determination that the amount of commissions allocated to the broker is reasonable in relation to the value of the brokerage and research services provided by the broker.

This may create a conflict of interest. All accounts of the Company will be researched to the extent needed to provide financial advice and make investment recommendations for the client based on client goals, objectives, risk tolerances, and needs.

**Item 13. (b)**

Members and/or related persons of the Company, may receive a portion of the advisory fees paid to the Company by clients that have become clients as a result of that individuals direct or indirect efforts.

The Company may enter into agreements with non-related individuals or organizations who may receive compensation for soliciting clients for the Company. These agreements are governed by Rule 206(4)-3 of the Investment Advisers Act of 1940. All clients procured by solicitors will be given full disclosure describing the terms and fee arrangements between the Company and the solicitor.

**Privacy Policy**

Sandhill Investment Management is committed to protecting the confidentiality and security of your private information. This notice is provided to help you understand how we safeguard your privacy.

In order to properly service your account we must obtain some nonpublic personal information about you. The types of information we may need to obtain fall into the following categories: 1) Information that we receive from you verbally and/or on applications or other forms; such as, names, address, phone numbers, social security numbers, and investment objectives; and 2) Information about your transactions with us.

We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by

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law.

Access to your personal information is restricted to those employees that need to know that information to provide services to you. We maintain physical, electronic, and procedural safeguards to comply with federal standards to protect your personal information.

**Proxy Voting Policy**

Sandhill Investment Management only votes proxies on behalf of clients who have specifically requested us to do so and for ERISA accounts unless prohibited by the governing documents of the account. As a matter of policy and as a fiduciary to our clients, the Company will take responsibility for voting proxies consistent with the best economic interests of the clients. The Company maintains written policies and procedures as to the handling, research, voting and reporting of proxy voting. Our policy and practice includes the responsibility to monitor corporate actions, receive and vote client proxies and disclose any potential conflicts of interest. To request a copy of the Company's Proxy Voting Policies and Procedures or to obtain records of how the Company voted with respect to your securities contact Kelly Marshall at (716) 852-0279 or in writing at 360 Delaware Avenue, Suite 402, Buffalo, NY 14202.