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**This brochure provides information about the qualifications and business practices of White Oak Systems. If you have any questions about the contents of this brochure, please contact us by phone at 240-432-4707 or email [ken@whiteoaksystems.com](mailto:ken@whiteoaksystems.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 White Oak Systems also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

Who's Who?

When we say "we," or "our," we refer to White Oak Systems, LLC, a Maryland limited liability company. When we say "you," or "yours," we refer to the clients or prospective clients of White Oak Systems, LLC.

## 2. MATERIAL CHANGES

3/24/2011, Rev M. This is our first brochure in this format, using the new “English Language” format of SEC Form ADV Part II. It draws information from our prior Form ADV Part II, Rev L, dated 4/20/2010. No material change was intended other than complying with the requirements of the new format and new disclosure requirements.

When we make any material change to this Brochure, we will inform you by making an updated Brochure available to you.

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#### 4. Advisory Business

White Oak Systems, LLC, was created 7/11/2000 as a Maryland limited liability company. The company is a partnership for federal tax purposes. The equal-share members of the partnership are:

Kenneth J Harringer

Elizabeth A Harringer

There are no other members. White Oak Systems, LLC ("we"), own no subsidiaries, nor are we a partner in any partnerships. Mr. Harringer serves the partnership as the investment advisor representative, while Mrs. Harringer serves the partnership as clerical support.

We offer financial planning and asset management services.

For financial planning, you come to us to answer questions you have regarding saving, strategic spending choices, mortgage comparisons, retirement and/or college savings planning, and windfall dispositions. We look at the opportunities present, and recommend strategies which may position you better economically, showing you the costs and benefits of the alternative decisions you can make. We are independent; there is nothing that we are "selling" you as we present recommendations. We receive no commissions nor are we beholden to anyone for our recommendations. We are free to select from and present the full panoply of investment choices and savings strategies in our recommendations.

For asset management services, you come to us to manage your portfolio of assets. This can include advising you on how to allocate your 401(k) investment choices at work. It can also include discretionary management of your cash (i.e. non-retirement), IRA, Roth IRA, Coverdell ESA, Trust, Estate, and custodial accounts. Here we develop investment strategies for these assets, and we buy and sell securities on your behalf.

We tailor our advisory services to each of you, by listening to you and learning your particular economic situation and tolerance for risk. From this knowledge we can recommend strategies and choose investments which support your goals and needs, tailored to your tax liability and risk tolerance.

As of 12/31/2010, we manage, on a discretionary basis, \$2.5mln in 88 accounts owned by eighteen distinct clients. This scale allows us to keep close surveillance on each and every one of your accounts, and the investments you hold.

#### 5. Fees and Compensation

We charge for our advisory services in two ways: an hourly rate, or a fee of assets under management.

Our hourly rate is used when an engagement by you may be of limited duration; examples include a one-time conversation, a modeling of your retirement savings needs, or a thorough analysis of a particular issue.

The hourly rate is \$189. The hourly rate is subject to change annually, typically on May 1<sup>st</sup> of each year.

Discounts may be applied to a final invoice, but none are guaranteed. Discounts may be offered to new clients, organized clients, returning clients, high-volume clients, clients with constrained ability to pay, and for other competitive purposes.

At the completion of the engagement, you are presented an invoice, which is due upon receipt. Unpaid amounts are subject to 18% APR after thirty days of invoice date.

The discretionary asset management fee is 2% of assets under management annually. This is accrued monthly, summing your account balances as of the close of business on the last calendar day of each month, and invoiced quarterly. There are no discounts offered on this fee.

Compensation is due upon your receipt of each quarterly invoice. Compensation is not accepted in advance. You may terminate our agreement at any time for any reason effective with 30 days written notice from you.

We maintain your written authorization to deduct these fees from your accounts held with a qualified custodian. We do not deduct fees directly from your accounts, but rather we make a request to the custodian to deduct fees and deposit fees in our account held by the custodian. Custodian's approval and subsequent action on our fee requests depend upon these custodian-developed tests:

- your account has sufficient available funds for fee requested
- your account is not "frozen" by judicial proceeding
- fee requested does not exceed 3% of your assets
- fee is apportioned to appropriate type of account; IRA-sourced fees are deducted from IRAs, fees resulting from non-retirement asset management are deducted from non-retirement accounts.

We do not control the custodian's review process. Our intent is to use the reporting safeguards with you and the custodian regarding fee disbursement consistent with "custody of client assets" as promulgated by Maryland Office of the Attorney General Securities Division.

We concurrently send (a) your account custodian a request to deduct advisory fees, and (b) you a performance summary report & an invoice itemizing fees requested from your account(s). The invoice includes the formula for determining the fee, the amount of assets considered, and the time period covered.

The custodian provides you monthly account statements detailing all disbursements including our fees.

Our hourly rate may be applicable to you even though you have entered into a discretionary management agreement. If we are asked to provide you service that is beyond the scope of our discretionary asset management offering, we will charge you the hourly rate for that particular extraordinary service. We will notify you in advance of accruing charges should this situation occur.

We may also charge you for "direct expenses" that are applicable to your project. These expenses most routinely include postage and copying. Other direct expenses are parking, travel, and any other expenses that we pay that are solely due to our execution of your financial planning or asset management project.

To summarize: we may charge you an hourly rate, a fee based on assets under management, and/or our direct expenses.

You may experience other costs that are not billed by us nor payable to us, but you are paying them just the same. You may not receive any invoice for these expenses. These costs include:

- Trading fees charged by broker on purchases and sales of securities, or other transactions;
- Custodial fees or account management fees charged by the custodian;
- Mutual fund expenses, which are deducted from the performance of the fund by the fund's manager.

Please see our section 12 on our brokerage practices. You can read about the costs you will incur at the broker and custodian in their disclosure documents which we give to you when we open an account.

To understand about the expenses a mutual fund may charge shareholders, you should read their fund's prospectus, available from the fund manager.

## **6. Performance Based Fees And Side-By-Side Management**

We do not accept performance-based fees. "Side-by-side" management is not an issue.

## **7. Types Of Clients**

The types of clients we generally provide investment advice are individuals and trusts. We do not have any requirements for opening or maintaining an account, such as a minimum account size.

## **8. Methods Of Analysis, Investment Strategies And Risk Of Loss**

Investing in securities involves risk of loss that you should be prepared to bear.

We have two basic strategies when we deliver investment advice: Asset Allocation and Security Selection.

Our asset allocation strategy is derived from our view of global macro-economic forecasts and your personal situation within your particular lifestage. An allocation of your assets among classes of securities and other investments, like stocks, options, bonds, mutual funds, exchange-traded funds and notes, annuities, real estate, money market funds and cash is conceived. This allocation model is developed to (1) exploit the macro-economic forecast, (2) provide you the capital preservation, income,

liquidity, and/or growth you demand from your assets to meet your financial plan, and (3) mitigate your risk by establishing diversification across asset classes.

The next strategy is that of security selection. We identify securities for your portfolio using an approach that marries fundamental analysis and contemporary technical techniques. We have studied the fundamental principles developed by Graham and Dodd, espoused by Warren Buffet, of investing in solid companies with sterling prospects that trade at a discount. This fundamental analysis results in candidates for selection in your portfolio.

Next, we establish entry criteria for these candidates, using contemporary technical techniques. This determines "when" we purchase a security for your portfolio. A similar technique is used to determine a rational exit criteria.

We provide daily surveillance of all candidate securities, as well as those held in your account. For those securities held which reach our exit criteria, a sale of securities may be made. For those candidates which reach our entry criteria, a purchase may be made for your account.

For those investments which exhibit volatility, we may place stop loss orders to limit downside risk. There is no guarantee that these orders will have their intended effect.

To broaden diversification, we do not recommend any single security to the extent it represents greater than 5% of your assets, excepting stable-value money fund accounts. We limit your purchases accordingly.

When new information is brought to our attention which significantly changes our view of global macro-economic forecasts, your personal situation, or your lifestage, we will review your allocation model to determine if any adjustments are necessary. If we conclude that adjustments are prudent, we may change the list of candidate securities we are following on your behalf, and we may make purchases or sales within your portfolio as a result of this review.

Our primary strategy does not involve frequent trading of securities. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

We do not recommend primarily any particular type of security, nor do we recommend any type of security which involves significant or unusual risks.

Investing in securities involves risk of loss that you should be prepared to bear.

## **9. Disciplinary Information**

There are no legal or disciplinary events that are material to your evaluation of our advisory business or the integrity of our management.

## **10. Other Financial Industry Activities and Affiliations**

We are not registered, nor or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer

We are not registered, nor have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

We do not have any relationship or arrangement that is material to our advisory business or to you with any 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); other investment adviser or financial planner; futures commission merchant, commodity pool operator, or commodity trading advisor; banking or thrift institution; accountant or accounting firm; lawyer or law firm; insurance company or agency; pension consultant; real estate broker or dealer; sponsor or syndicator of limited partnerships.

We do not recommend or select other investment advisers for you.

## **11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

We do not have a written code of ethics. Under federal and state law, we are a fiduciary and must make full disclosure to you of all material facts relating to the advisory relationship. As a fiduciary, we seek to avoid conflicts of interest with you, and, at a minimum, make full disclosure of all material conflicts of interest between you and us that could affect the advisory relationship. We provide you with sufficiently specific facts so that you are able to understand the conflicts of interest we have and the business practices in which we engage, and can give informed consent to such conflicts or practices or reject them.

We do not see any conflicts of interest or ethical dilemmas between you and us, because there are no third-parties associated with our relationship.

We do not recommend to you, nor buy or sell for your accounts, securities in which we or a related person have a material financial interest.

We may invest in the same securities (or related securities, e.g., warrants, options or futures) that we recommend to you. We may recommend securities to you, or buy or sell securities for your accounts, at or about the same time that we buy or sell the same securities for our own account. We believe in our recommendations, and we believe we should have a stake in our recommendations. We only make positions in our own account that are consistent, not counter, to those made for or recommended to you. No effort is made to create more favorable terms to us at the expense of you. When securities are bought or sold at the same time, a block trade is used, combining our order with yours so that identical pricing is assured.

If a client sells a security which we also hold in our own account, we may not necessarily sell that security from our account, although we may choose to, if circumstances warrant. Again, no effort is made by us to provide us more favorable terms at your expense. Again, we are on the same side of trades as you, never do we sell to you securities from our account, nor do we buy securities from you for our account. We do not take positions in our account which would be counter to positions held in your account.

## **12. Brokerage Practices**

We recommend brokers and custodians to you, after a selection by us of suitable, available brokerages. The factors considered for suitability of a broker to be recommended include:

- Safety and soundness as measured by protection offered against lost securities and cash;
- Commissions and fees that are competitive with national marketplace averages;
- Availability of products and services from which you can benefit;
- National scale, as measured by market share.

We do not receive any "soft dollar" benefits for using any broker, nor any products nor services paid by broker commissions.

The value of goods or services provided by the broker to us, if any, is not a factor which affects consideration of a broker's suitability for recommendation to you.

We do not accept client referrals from any broker.

Whenever we have the opportunity to do so, we aggregate client transactions within a brokerage. This can provide more favorable pricing to you, compared to if we did not.

## **13. Review of Accounts**

We review your accounts on a daily basis when markets are open. Intensive surveillance of your assets is a differentiating service we offer you.

We send you a written performance report quarterly.

## **14. Client Referrals and Other Compensation**

No one who is not a client provides an economic benefit to us for providing investment advice or other advisory services to you.

We do not, directly or indirectly, compensate any person who is not our supervised person for client referrals.

### **15. Custody**

The qualified custodian will send you quarterly, or more frequent, account statements directly to you. You will receive account statements from the broker-dealer, bank or other qualified custodian and you should carefully review those statements.

You also receive account performance reports quarterly from us, and you should reconcile the account statements you receive from the qualified custodian with those reports you receive from us.

We do not hold your money nor securities. Your contributions and deposits shall be made payable to the custodian, and forwarded to them by either you or us. Checks (or other instruments) intended for account contribution or deposit may not be made out to us. If we are in receipt of such, we will not accept them but return them to you.

### **16. Investment Discretion**

Accounts under management are given complete expressed discretionary authority to manage securities by you per written agreement. We will record your prejudices and preferences for certain classes or specific issues, but we make no guarantee that those wishes will be adhered to if, in our sole judgement, upholding such prejudice or preference would run counter to your investment goals and risk profile.

### **17. Voting Client Securities**

We will accept authority to vote your securities, should you authorize us to do so by written agreement. This agreement can be made upon account opening or anytime thereafter. This agreement can be revoked by you at anytime by request. If we are authorized to vote your securities, then:

- We will use our discretion in casting votes as we see in our sole judgment as being in your best interest;
- We may choose not to vote on issues we view as immaterial to your interests;
- If we do cast a vote on an issue, all votes cast by us on that issue will be aligned the same;
- Our interests are aligned with yours as we may hold the same securities;
- You may not direct us to vote in any particular solicitation.

We withhold our vote for directors aged over 67 years.

You may obtain information from us about how we voted your securities, and you may obtain a copy of our proxy voting policies and procedures by request, just phone or email.

If we do not have authority to vote your securities, you will receive your proxies or other solicitations directly from the custodian or a transfer agent, and you can contact us with questions about a particular solicitation by email or phone at any time.

### **18. Financial Information**

We do not require nor solicit prepayment of fees. Thus, no balance sheet is required.

We have discretionary authority and are interpreted to have custody of client funds by virtue of our requesting the custodian draw advisory fees from your account. We know of no financial condition that is reasonably likely to impair our ability to meet contractual commitments to you.

## 19. Requirements for State-Registered Advisers

Our principal executive officer and sole management person is Kenneth J. Harringer.

Mr. Harringer's formal education includes:

BS Electrical Engineering, University of Maryland, 1985.

MS Engineering Management, George Washington University, 1995.

Mr. Harringer's business background includes:

Passing grade on the "Series 65" investment advisor exam.

Mr. Harringer has been investing in stocks and mutual funds since 1986, and began managing relative's portfolios in 1991. After these successful years of investing, Mr. Harringer, along with his partner Mrs. Elizabeth A. Harringer, created White Oak Systems, LLC, on 7/11/2000, to offer tax preparation, investment advisory services, and portfolio management to the public.

Prior to White Oak Systems, Mr. Harringer was a successful business development manager and systems engineer in the private and federal government sectors.

There are other businesses in which we are actively engaged (other than giving investment advice).

and the approximate amount of time spent on that business.

We provide tax preparation, planning, and consulting services to individuals and businesses. Tax preparation services may be offered to you, and investment advisory services are offered to select tax preparation clients. We spend a significant majority of the months of February and March performing the tax preparation business. The balance of the year we perform mainly investment advisory services and research.

Our partners are also members of Hillandale Investment Partners, LLC, a private partnership providing property management and residential leasing. No partnership interests nor management services are offered to you. No investment advisory services are offered to tenants managed by Hillandale Investment Partners.

We are not compensated for advisory services with performance-based fees.

We have not been involved in any reportable events.

There is no relationship or arrangement that we or any of our management persons have with any issuer of securities that is not listed in Item 10.

We do not participate in a "wrap fee" program, so thus we do not have a Wrap Fee Program brochure, aka Form ADV Part 2A Appendix 1.

We do not have any "supervised persons," so thus we do not have a Brochure Supplement, aka Form ADV Part 2B.

Thank you for reading our brochure! If you have any comments or recommendations, please contact us.