

Part 2A of Form ADV: Firm Brochure

Item 1 : Cover page

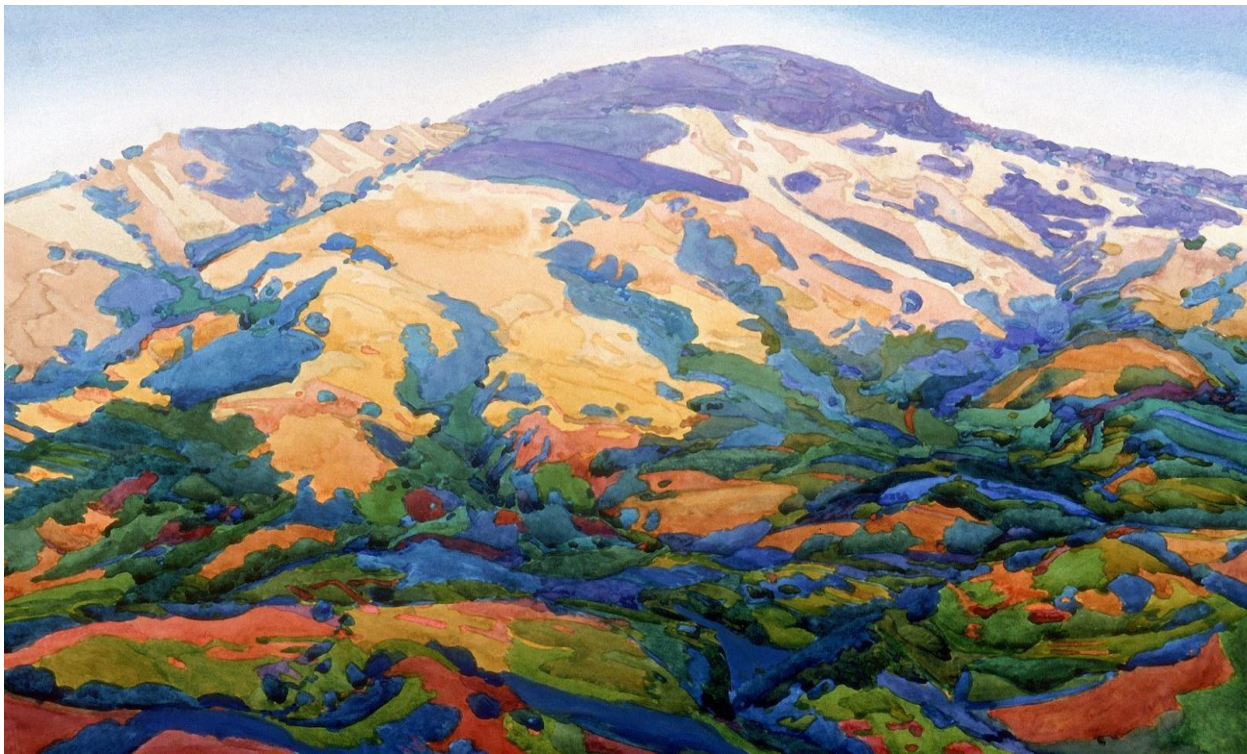


*ETFs\Stocks\Bonds/Index Funds\Mutual Funds\Tax Advantaged Investments  
Financial Planning*

5800 St. Charles Avenue, New Orleans LA 70115

<https://www.devilmtn.com/>

February 1, 2024



This brochure provides information about Devil Mountain Investment Management (CRD# 150278). You should have received a copy of that brochure. Please contact Chris Hannan (CRD# 2318959) at 925-389-0419 if you did not receive Devil Mountain Investment Management's brochure or if you have any questions about the contents of this brochure.

Additional information about Devil Mountain Investment Management is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

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*Item 2: Material Changes*

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**Since Last update as of February 1<sup>st</sup> 2024 -**

**Principal Address change to: 5800 St. Charles Avenue, New Orleans LA 70115**

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*Item 3: Table of Contents*

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#### *Item 4: Advisory Business*

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I, Chris Hannan, am the founder, President and sole employee of Devil Mountain Investment Management (the Advisor). I also serve as the Chief Compliance Officer. Devil Mountain Investment Management is a private company, established in April of 2009 in Danville, California. We are registered as an S-Corporation in the state of California.

Devil Mountain Investment Management employs a strategy of financial planning unique to each client with the goal of providing long term wealth creation and preservation. This strategy is accomplished through the use of ETFs, Index Funds and Tax Advantaged funds and ETFs.

It is our philosophy to be a risk averse and proactive investment manager with the ability to adjust investment mix and selection as needed based on market conditions and global macroeconomic events. Our investment strategy will be one of personalized asset allocation models and “sector rotation” in order to maximize investor returns and preserve wealth.

We will create diversified portfolios across regions, demand cycles and industry groups. Investments in fixed income products will focus on ETFs, bond funds and CD’s rather than individual corporate or government bonds, as they are more liquid and more diversified.

All accounts are managed on a non-discretionary basis. The process is consultative through which investment ideas, strategies and long-term plans are discussed prior to purchase or sale of securities.

#### **Statement of Fiduciary Status (ERISA)**

Investment Advisory Firm will provide, or reasonably expects to provide, services pursuant to the contract or arrangement directly to the covered retirement plan in its role as a fiduciary for our retirement plan clients.

Investment Advisory Firm will provide, or reasonably expects to provide, services pursuant to the contract directly to the covered retirement plan as an investment adviser registered under the California Department of Business Oversight.

As of 2/01/2024, Devil Mountain Investment Management currently manages approximately \$27,225,000 in assets on a non-discretionary basis.

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### *Item 5: Fees and Compensation*

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The Advisor is a “fee only” advisor. Clients are charged a percentage of assets under management. Any other costs or charges (trading costs) are passed through from the custodian(s). This allows clients to receive professional advice while potentially benefitting from greater profitability and reduced execution costs. All services, financial planning and portfolio management are included in the annual fee. No performance based fees will be charged.

#### **Annual Fee**

1% of Net Liquidation Value of all client assets under management, payable quarterly (0.25%) in arrears on the first day of a quarter.

#### **Billing**

Client’s investment accounts will be debited directly for fee(s)

We do not 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.

#### **Advisory Fees in General:**

In accordance with CCR Section 260.238(j), clients should note that lower fees for comparable services may be available from other sources.

#### **Financial Planning Disclosure:**

In accordance with CCR Section 260.235.2, we are required to disclose if a conflict exists between the interests of the investment adviser and the interests of the client. If so, the client is under no obligation to act upon the investment adviser's recommendation, and, if the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through the investment adviser.

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*Item 6: Performance-Based Fees and Side-By-Side Management*

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**Devil Mountain Investment Management does not charge performance-based fees.**

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*Item 7: Types of Clients*

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**Devil Mountain Investment Management services individual investors and high net worth individuals. The firm is open to advising for retirement and pension plans but currently does not have any clients in that category.**

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*Item 8: Methods of Analysis, Investment Strategies and Risk of Loss*

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Devil Mountain Investment Management employs a strategy of financial planning unique to each client with the goal of providing long term wealth creation and preservation. This strategy is accomplished through the use of ETFs, Index Funds and Tax Advantaged funds and ETFs. It is our philosophy to be a risk averse and proactive investment manager with the ability to adjust investment mix and selection as needed based on market conditions and global macroeconomic events. Our investment strategy will be one of personalized asset allocation models and “sector rotation” in order to maximize investor returns and preserve wealth.



All portfolios are created with concern for the client’s age, need and risk tolerance. However, all investments involve the risk of capital loss. The advisor makes this clear to each client.



## Overview:

Devil Mountain Investment Management employs a strategy of financial planning unique to each client with the goal of providing long term wealth creation and preservation. This strategy is accomplished through the use of ETFs, Index Funds and Tax Advantaged funds and ETFs. It is our philosophy to be a risk averse and proactive investment manager with the ability to adjust investment mix and selection as needed based on market conditions and global macroeconomic events. Our investment strategy will be one of personalized asset allocation models and “sector rotation” in order to maximize investor returns and preserve wealth. We will create diversified portfolios across regions, demand cycles and industry groups.

Investments in fixed income products will focus on ETFs, bond funds and CD’s rather than individual corporate or government bonds, as they are more liquid and more diversified.

## Portfolio Management Process:

- Determine client’s financial needs/wishes/risk tolerance through personal consultation.
- Analyze current macroeconomic environment
- Analyze market conditions
- Determine ranked universe of ETFs/Index Funds across Industries/Asset Classes/Global Regions to create balanced portfolio
- Create Custom Portfolio Allocation to suit client’s needs.
- Proactively manage portfolio for sector rotation and rebalancing opportunities in order to maximize return and minimize risk.

## Benefits of ETF investing:

- *Cost Effective/Lower fees*

Transactions in ETFs are like transactions in single stocks, therefore there is only one transaction per trade. Commissions are lower on ETFs versus Mutual Funds which carry management fees and sales “loads”. ETFs are also cost effective versus Index Funds which require a basket of stocks to be purchased.

- *Tax Efficiency*

Since ETFs trade on an exchange and investors sell them to other investors, no underlying securities are sold and therefore, no capital gains are created. On occasion, the makeup of an ETF does change and a capital gain may be distributed, but less frequently than a traditional mutual fund.

- *Liquidity*

The structure of ETFs allows them to trade continuously throughout market hours. ETFs can be sold short, bought on margin and many list options and futures contracts allowing for greater risk management of your portfolio.

- *Intraday Pricing*

Because ETFs are actively traded on exchanges purchases and sales happen at market prices, rather than at the end of the day Net Asset Value price as is the case with mutual funds. As a result, one may purchase ETFs at a premium or discount to the value of underlying assets and arbitrage is frequent.

- *Transparency*

All holdings in a portfolio underlying an ETF are completely transparent. Investors are advised daily what comprises the ETF. This is different from the mutual fund portfolio for which holdings are published periodically (quarterly) or only at the portfolio manager's discretion.

- *Immediate Dividends*

Most ETFs immediately reinvest dividends back into the fund.

- *Simplicity*

ETFs are simple in structure and easy to understand. If investors are interested in investing in a certain industry or want to emulate the returns of a particular index this is easily accomplished through the use of ETFs.

- *No Minimum Investment*

ETFs have no minimum investment (other than the market price of one share) and they allow the investor to become immediately diversified across virtually any industry group or greater market index.

There are ETFs to cover every major index, asset class, and niche an investor can imagine. There are ETFs made up exclusively of specialty industries in the technology and energy sectors. Commodities such as gold and oil are also covered by ETFs, as well as real estate investments which can be purchased via niche ETFs in the REIT market. An entire portfolio of diversified investments can be created quickly and simply by using ETFs.

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***Item 9: Disciplinary Information***

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**9. (A) The Advisor has NEVER been the subject of a *criminal or civil action* in domestic, foreign or military court under any of the following circumstances or for any other reason.**

- 1. was convicted of, or pled guilty or nolo contendere (“no contest”) to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;**
- 2. was named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;**
- 3. was found to have been involved in a violation of an investment-related statute or regulation; or**
- 4. was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a management person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.**

**9. (B) The Advisor has been the subject of an *administrative proceeding* before FINRA for the following reason:**

**In the summer of 2008, I agreed to a 10 week suspension of my FINRA licenses due to an investigation which alleges that on August 29th, 2005, while acting as a market maker for First Albany Capital, I placed non bona fide offerings out in the marketplace and that I crossed stock internally between 2 ECN’s (electronic communications network) effectively creating wash sales. This incident occurred during the trading of one stock that I did not normally trade as I was filling in for a person who was out sick. I had otherwise been involved in institutional equity trading for 12 years without incident. I believe I was acting in a bona fide market making capacity and I did not intend to cross stock. I did not personally benefit from this incident, nor did my client or my firm. No other market participants were harmed by this action. I argued my case with FINRA for 2 ½ years at great personal expense and eventually agreed to a suspension, neither admitting nor denying guilt, in order to put the situation behind me. This incident is disclosed on advisor’s U-4.**

**The advisor is no longer affiliated with a broker/dealer and Mr. Hannan’s Series 7, 24, 55, 63 licenses are inactive. The firm currently operates as a California registered investment advisory firm and Mr. Hannan holds a Series 65 license.**

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***Item 10: Other Financial Industry Activities and Affiliations***

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**Insurance company or agency - Mr. Hannan has an active insurance license with the California Department of Insurance but does not sell any insurance products at this time.**

**I do not recommend or select other investment advisors for my clients for which I receive a fee.**

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

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**Devil Mountain Investment Management**

**Code of Ethics**

As a Registered Investment Adviser, Devil Mountain Investment Management is a fiduciary to each and every client. We may buy or sell securities (other than shares of mutual funds) that we also recommend to advisory *clients* in accordance with our firm's code of ethics policy. As fiduciaries, Investment Advisors owe their clients several specific duties. According to the United States Securities Commission ("SEC"), an Investment Adviser's fiduciary duties include:

- Provide advice that is suitable;
- Provide full disclosure of material facts and potential conflicts of interest (such that the client has complete and honest disclosure in order to make an informed decision about services of the Adviser and about investment recommendations);
- The utmost and exclusive loyalty and good faith;
- Best execution of transactions;
- The Adviser's reasonable care to avoid ever misleading clients;
- Only acting in the best interests of clients.

Furthermore, Devil Mountain Investment Management operates in accordance with the following principals:

- **Integrity** - firm adherence to a code of especially moral values
- **Objectivity**- dealing with facts or conditions as perceived without distortion by personal feelings, prejudices, or interpretations
- **Competence** - is the ability to perform a specific task, action or function successfully
- **Fairness** - free from bias, dishonesty, or injustice
- **Confidentiality** - spoken, written, acted on, etc., in strict privacy or secrecy
- **Professionalism** - the conduct, aims, or qualities that characterize or mark a professional person
- **Diligence** - decisive work ethic, persevering application

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***Item 12: Brokerage Practices***

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**Currently, all of my clients' accounts are carried and cleared by Interactive Brokers, LLC. We are not active traders and commissions are kept to a minimum. All clients' accounts are non-discretionary and trading authority is provided through a limited Power of Attorney.**

**I would accept accounts at other discount brokerages under the same structure (Charles, Schwab, Fidelity, TD Ameritrade, E-trade, etc.). I do not pay for research and have no soft dollar arrangements.**

**Conflict of Interest Disclosure (CCR § 260.238(k)): Any material conflict of interest relating to you or your representatives and employees that could be reasonably expected to impair the rendering of unbiased or objective advice should be disclosed. Conflicts of interest may include, but are not limited to, (a) compensation arrangements connected with advisory services which are in addition to the advisory fees, (b) other financial industry activities or affiliations, or (c) participation of interest in client transactions.**

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*Item 13: Review of Accounts*

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**Reviews:**

Accounts will be reviewed quarterly for performance and suitability. All clients will have at least one annual review in person regarding account performance, financial planning, goals and expectations.

**Reviewer:**

Will be Chris Hannan, President and Financial Advisor.

Clients will receive monthly account statements from respective brokerage firm/custodian.

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***Item 14: Client Referrals and Other Compensation***

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**Advisor receives no compensation for referrals.**



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### *Item 15: Custody*

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**Devil Mountain Investment Management does not have constructive custody of customer funds or securities. Currently all client accounts are held Interactive Brokers, LLC (“IB”).**

**Clients have access to their accounts online and with receive statements (via IB website) on a monthly basis. As noted below, Devil Mountain will ensure that clients also receive a copy of their invoice with quarterly fee calculations.**

#### **Custody Safeguarding Provisions**

**Devil Mountain has custody of the funds and securities solely as a consequence of its authority to make withdrawals from client accounts to pay its advisory fee.**

**We maintain written authorization from the client to deduct advisory fees from the account held with the qualified custodian.**

**Each time a fee is directly deducted from a client account, Devil Mountain concurrently:**

- **Sends a qualified custodian an invoice or statement of the amount of the fee to be deducted from the client’s account; and/or**
- **Sends the client an invoice or statement itemizing the fee. Itemization includes the formula used to calculate the fee, the value of the assets under management on which the fee is based, and the time period covered by the fee.**
- **Notifies the Commissioner in writing that the investment adviser intends to use the safeguards provided above.**

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*Item 16: Investment Discretion*

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**Advisor does not currently accept discretionary authority to manage clients' accounts. All clients' accounts are non-discretionary and trading authority is provided through the Client-Advisor Client Agreement. Purchase and sale of securities are discussed with client prior to any transaction.**

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*Item 17: Voting Client Securities*

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**Advisor does not have authority to vote client securities. All proxy information and ballots are mailed directly to the client from the custodian. It is the client's responsibility to vote their proxies. Advisor is available and willing to discuss voting plans at the request of the client.**

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***Item 18: Financial Information***

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- A. Advisor does not require pre-payment of management fees. Fees are paid in arrears.**
- B. Advisor does not have discretionary authority or custody of client funds or securities.**
- C. Advisor has not been subject of a bankruptcy petition.**

**As of 02/01/2024, Devil Mountain Investment Management currently manages approximately \$27,225,000 in assets on a non-discretionary basis.**

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*Item 19: Requirements for State Registered Advisers*

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**A. Principal Executive Officers:**

**Christopher Michael Hannan  
President, Founder & Advisor**

**B. Additional Business Engagements:**

**No other conflicts of interest to disclose at this time.**

**C. Performance Based Fees:**

**Advisor does not accept any performance based fees.**

**D. Disciplinary Disclosures:**

**Are listed above in section 9**

**E. Relationship with Securities Issuers:**

**Advisor has no relationship with any issuer of securities**

**F. Requirements for State-Registered Advisors: Chris Hannan has not been the subject of a bankruptcy petition nor has he ever been involved in any award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding.**

**In the summer of 2008, I agreed to a 10 week suspension of my FINRA licenses due to an investigation which alleges that on August 29th, 2005, while acting as a market maker for First Albany Capital, I placed non bona fide offerings out in the marketplace and that I crossed stock internally between 2 ECN's (electronic communications network) effectively creating wash sales. This incident was a one-time electronic trading anomaly at the advent of such automated and algorithmic institutional trading. I had otherwise been involved in institutional equity trading for 12 years without incident. I believe I was acting in a bona fide market making capacity and I did not intend to cross stock. I did not personally benefit from**

**this incident, nor did my client or my firm. No other market participants were harmed by this action. I argued my case with FINRA for 2 ½ years at great personal expense and eventually agreed to a suspension, neither admitting nor denying guilt, in order to put the situation behind me.**

Part 2B – Brochure Supplement



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**Chris Hannan - President, Founder & Financial Advisor**

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**Chris Hannan - President, Founder & Financial Advisor**

**Business Experience:**

**Chris has spent his entire professional career in the securities industry, beginning shortly after his graduation from the University of California, Los Angeles in 1991. He first obtained his Series 7 and 63 licenses in 1993 while at Merrill Lynch in Alexandria, VA where he assisted a private wealth management broker whose client base had assets in excess of \$100 million. During this time, Chris worked his way through business school at night, earning an MBA in Finance and Investments from George Washington University.**

**Chris' initial career experience provided an opportunity to closely watch and learn the capital markets, as well as to evaluate stocks and investment options.**

**After earning his M.B.A. from GW in 1995, Chris returned to California and joined the then-leading California firm Robertson Stephens & Co. as a junior equity trader in its San Francisco Headquarters. During his seven years with Roberson Stephens, Chris was promoted to Trader, then Vice President, then Principal. He passed the Series 55, Equity Trader examination in 1999. The trading environment at that time was fast moving, very exciting and profitable. As a trader, Chris was involved in numerous IPOs for innovative companies ranging from biotech companies to internet companies to retail and food services companies. The trading environment provided a stimulating atmosphere for learning further about a broad range of companies and stocks. Chris also began developing a substantial network of individuals involved in all aspects of investment banking. Robertson Stephens went through multiple acquisitions and was ultimately closed down by FleetBoston in 2002. Chris continued his career as a NASDAQ market maker with First Albany until 2005. First Albany provided opportunities similar Robertson Stephens and Chris continued to focus on further broadening his knowledge of the market and contacts within the investment banking business.**

**By 2005, Chris became interested in shifting his career from that of market maker to focus on other roles in investment banking. Montgomery & Company provided a different opportunity in that Montgomery is a boutique M&A bank which was interested in building an equity capital markets division. Chris was hired to help build not just a trading desk but an entire public equity capital markets department for the firm. This consisted of hiring research analysts, equity sales people, and other staff as well as setting up many IT and vendor contracts. At this point in his career Chris obtained the Series 24 Supervisory license. While there were many successes at Montgomery, including growing the revenue of the department by more than 30% annually, the firm ultimately decided to focus on its core M&A practice and shut down the equity capital markets division.**

**The advisor is no longer affiliated with a broker/dealer and Mr. Hannan's Series 7, 24, 55, 63 licenses are inactive. The firm currently operates as a California registered investment advisory firm and Mr. Hannan holds a Series 65 license.**



From 2010-2014, Chris was a sales and account manager for Thomson Reuters selling institutional trading software products. Currently,

From April 2014 until July 2017 Chris was the Head for Trading at W.R. Hambrecht + Co., LLC in San Francisco.

In September 2017 Chris decided to focus solely on Devil Mountain Investment Management and opened an office in Danville, CA and now in New Orleans, LA.

**B. Supervision:**

Chris is the sole principal of Devil Mountain Investment Management.

**C. Disciplinary Disclosures:** Are listed above in section 9

**D. Relationship with Securities Issuers:**

Advisor has no relationship with any issuer of securities

**E. Requirements for State-Registered Advisors:**

Chris Hannan has not been the subject of a bankruptcy petition nor has he ever been involved in any award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding.

In the summer of 2008, I agreed to a 10-week suspension of my FINRA licenses due to an investigation which alleges that on August 29th, 2005, while acting as a market maker for First Albany Capital, I placed non bona fide offerings out in the marketplace and that I crossed stock internally between 2 ECN's (electronic communications network) effectively creating wash sales. This incident was a one-time electronic trading anomaly at the advent of such automated and algorithmic institutional trading. I had otherwise been involved in institutional equity trading for 12 years without incident. I believe I was acting in a bona fide market making capacity and I did not intend to cross stock. I did not personally benefit from this incident, nor did my client or my firm. No other market participants were harmed by this action. I argued my case with FINRA for 2 ½ years at great personal expense and eventually agreed to a suspension, neither admitting nor denying guilt, in order to put the situation behind me.