

Item 1 – Cover Page

BLACK LAKE
CAPITAL CORP.

Form ADV Part 2A
Disclosure Brochure

January 3, 2022

Black Lake Capital Corp.
130 Chestnut Lane
Athens, GA 30606
(706) 850-5780
www.blacklakecapital.com

Black Lake Capital Corp. (“Black Lake Capital”) is a Registered Investment Adviser, regulated by the United States Securities and Exchange Commission (SEC) and the State of Georgia. This Disclosure Brochure provides information about the qualifications and business practices of Black Lake Capital.

By itself, registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser, including this document, are intended to provide information to help in the decision to hire or retain an Adviser.

The format and contents of this Disclosure Brochure are mandated by the SEC; however, the information provided has not been approved or verified by the SEC or any state securities authority. Information about Black Lake Capital is also available on the SEC’s website at www.adviserinfo.sec.gov.

If you have any questions about the contents of this Disclosure Brochure, please contact us at (706) 850-5780.

Item 2 – Material Changes

On July 28, 2010, the SEC published “Amendments to Form ADV” which changed the required format of the Form ADV disclosure document. This Brochure dated January 3, 2022, is prepared according to the new requirements and rules. There are no material changes to report from last year’s version.

In the future, this section will describe and explain material changes that are made to the Disclosure Brochure. We will also reference the date of the previous edition of the Brochure.

In the past we have delivered or offered to deliver information regarding our qualifications and business practices to clients on an annual basis. Under the new rules, we will ensure that our clients receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our fiscal year (December 31st). This communication will include an offer to provide a copy of the complete updated Brochure. We will provide an interim update only if there is information material to our advisory relationship.

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Item 4 – Advisory Business

Our Firm

Black Lake Capital, LLC was founded in 2008 by Talbert Gray Cooper (see *Brochure Supplements*). He is the principal owner of the business.

Investment Services

Black Lake Capital provides portfolio management and investment counseling services. Accounts are established by the client, who grants Black Lake Capital the power to make trades in each account.

Our investment strategy utilizes publicly-traded:

- equity securities
- fixed income securities
- equity options
- cash securities

From time to time we also invest in exchange traded, closed-end and open mutual funds.

Black Lake Capital manages portfolios in the context of each client's individual objectives and risk tolerances. Counsel is provided as each client's investment policy is established, and as needed thereafter. This policy is spelled out in the Investment Allocation Statement, a document that concisely describes the choice of investments objectives. We may provide financial planning services as part of this process.

Black Lake Capital's investing and screening processes are discussed in *Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss*. In the course of setting investment policy, clients may request that certain securities or types of securities be avoided in their account.

Accounts are reviewed on an ongoing basis (see *Item 13 – Review of Accounts*). Clients engaging investment advisory services must play an active role. It remains each client's responsibility to promptly notify Black Lake Capital if there is any change in their financial situation or objectives that would require a review and/or revision of Black Lake Capital's understanding of the client's appropriate investment policy. Clients may call the office to discuss their portfolio or ask questions, but Black Lake Capital recommends that clients initiate a meeting no less than annually. Black Lake Capital is not responsible for verifying information received from the client or other professionals working on behalf of the client.

If requested by the client, Black Lake Capital may recommend the services of other professionals, such as tax preparers or attorneys. There is no requirement to engage the services of professionals we recommend.

Assets Under Management

As of December 31, 2021, Black Lake Capital managed discretionary assets of approximately \$13.5 million.

Item 5 – Fees and Compensation

Calculation and Payment of Management Fees

Black Lake Capital's fee is calculated as a percentage of assets under management (AUM). Our standard management fee schedule is:

- 1.0% on the first \$2,000,000 of AUM
- Amounts over \$2,000,000 Determined at Engagement

Payment is divided into quarterly installments and is due at the beginning of each quarter based on the market value of the assets at the end of the preceding quarter. Related accounts are combined for the purpose of calculating an average fee level. Clients can choose to have fees deducted automatically from their account or may pay directly by check.

It is not our practice to discount fees; however, adjustments may be made for reasons such as account size or composition. The specific manner in which fees are charged is established in each client's Investment Advisory Agreement with Black lake Capital.

The fees noted herein represent fees for advisory services only. Clients may pay transaction fees and brokerage commission to their broker/dealer as well as any fees associated with their particular accounts (e.g., account opening, maintenance, transfer, termination, cash wire transfer, retirement plan, trust fees, and all such applicable third-party fees). All fees paid to Black Lake Capital for advisory services are separate from the fees and expenses charged to shareholders of ETF's or mutual fund shares by mutual fund companies or by the Investment Adviser managing a portfolio. Black Lake Capital's fees are separate from those charged by any unaffiliated Independent Manager the client may utilize.

Account Closure

Black Lake Capital or the client may terminate the Investment Advisory Agreement at any time by written notice. We don't charge account cancellation fees and all prepaid fees are returned on a pro-rata basis.

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

Black Lake Capital does not charge any performance-based fees (fees based on a share of returns).

Item 7 – Types of Clients

Black Lake Capital's clients include:

- individuals
- trusts
- limited partnerships

Under most circumstances, the minimum investment for a new relationship is \$500,000.

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

Investment strategies are generally long-term in nature, depending upon the stated individual needs of the client. Black Lake Capital's general investment approach may be both conservative and long range or follow a strategy that is guided by the client's wishes. Black Lake Capital provides advisory services for portfolios ranging from moderately aggressive to conservative, each designed to meet the varying stated needs of investors.

Methods of Analysis

Black Lake Capital will generally utilize the tenets of Modern Portfolio Theory when formulating investment advice. Black Lake Capital will seek to identify optimally constructed portfolios for clients risk profile. A key component of Black Lake Capital's advisory methodology is to seek to diversify client portfolios among non-correlated asset classes. The portfolio allocation for a client of Black Lake Capital is dependent on the client's stated needs, immediate and future, as well as their communicated tolerance for risk positioning and desired return. In attempting to understand the client's stated objectives and investment comfort, Black Lake Capital strives to help guard against undesired variances in the client's portfolio. Depending on suitability, Black Lake Capital will generally employ tactical trading, portfolio tilting, tax positioning, income generation, index construction or overall active/passive portfolio management strategies in its investment advisory practice. The overarching objective of Black Lake Capital is to help structure and maintain the portfolio of the client in an effort to help achieve the best return with the least amount of risk.

Equity Focus Strategy

Equity Focus accounts are typically managed for clients with investment time horizons greater than five years who do not anticipate the need for significant distributions in the near term. Accounts generally hold between 80% and 100% in stocks. We research and buy shares in small, medium, and large-sized companies that meet our criteria. We may consider foreign stocks and other publicly-traded securities that offer the potential for compelling returns relative to equities, such as bonds, closed-end funds and real estate investment trusts. Equity Focus accounts can be managed with either an appreciation or yield orientation.

Balanced Strategy

Balanced accounts are invested in the same stocks found in our Equity Focus accounts as well as government/agency bonds, corporate bonds, municipal bonds and/or other publicly-traded income-producing securities. Our objective in managing these accounts is to produce both long-term capital appreciation and current income. We do not believe that there is any "best" mix of stocks and bonds. Asset allocation is adjusted in response to the needs of each investor, as well as our perception of value among various asset classes.

Other Strategies

In some cases, investment policy dictates a portfolio structure that differs from the strategies described above. Examples include a portfolio invested entirely in fixed income securities, or a Trust where pre-

established investment policy means that Black Lake Capital has less than full discretion in determining asset allocation.

Risk of Loss

All investments involve risks and can result in loss:

- loss of principal
- a reduction in earnings (including interest, dividends and other distributions)
- the loss of future earnings

Additionally, these risks may include:

- market risk
- interest rate risk
- issuer risk
- general economic risk

Although we construct diversified portfolios and monitor clients' holdings closely, we cannot guarantee that our efforts to manage these risks will be successful. Black Lake Capital's clients should be prepared to bear the risk of loss.

Item 9 – Disciplinary Information

We are required to disclose all material facts regarding any legal or disciplinary events that would be material in evaluating Black Lake Capital or the integrity of Black Lake Capital's management. None of Black Lake Capital's ownership or staff has been subject to any legal or disciplinary events.

Item 10 – Other Financial Industry Activities and Affiliations

Beyond its own operations, neither Black Lake Capital nor its staff has activity in the financial industry that merits mention.

Item 11 – Code of Ethics

Black Lake Capital personnel are required to abide by the code of ethics as presented in our *Written Supervisory Procedures and Code of Ethics & Insider Trading Prohibition*. A copy of the complete document is available to any client or prospective client upon request.

Black Lake Capital Corp. values integrity and professionalism. We recognize that the service we provide our clients is of vital importance to their financial welfare. We wish to protect the confidence our clients have placed in us. We support federal and state regulation of our business. We have adopted and implemented the following policies and procedures (the "Policies") to maintain the quality of our investment advisory services and to ensure our full compliance with all applicable regulations.

The Policies have the following objectives:

- Convey the importance of our ethical standards
- Educate employees about acceptable and unacceptable behavior
- Foster procedures that facilitate compliance in an easily understandable package
- Establish a framework that simplifies the administration of these policies and procedures

Employee Trading

Black Lake Capital's employee trading policy stipulates that client trades take priority over employee trades.

The following procedures have been put into place:

- If Black Lake Capital is purchasing or considering for purchase any security on behalf of Black Lake Capital's clients, none of Black Lake Capital's employees or officers may effect for himself or herself or for his or her immediate family transactions in that security prior to the completion of client purchases, or until a decision has been made not to purchase the security on behalf of clients; and
- If Black Lake Capital is selling or considering the sale of any security on behalf of Black Lake Capital's clients, no employees may trade in that security prior to the completion of the sales on behalf of the clients.

The following exceptions have been identified:

- Some securities purchased or sold on behalf of Black Lake Capital's clients trade in sufficiently broad markets to permit transactions to be completed without any appreciable impact on the markets of the securities.
- Open-end mutual funds are purchased or redeemed at a fixed net asset value price per share specific to the date of purchase or redemption. Transactions in mutual funds by employees are not likely to have an impact on share prices of the funds and are not restricted by Black Lake Capital's Compliance Policies and Procedures.

Item 12 – Brokerage Practices

Selection of Custodians and Brokers

Black Lake Capital does not maintain custody of the assets that we manage on our clients' behalf, though we may be deemed to have custody of those assets when clients grant us authority to withdraw our management fee from their accounts (see *Item 15 – Custody*, below). The client's assets must be maintained in an account at a "qualified custodian," generally a broker or bank. Black Lake Capital Corp. recommends the services of Charles Schwab & Co. Inc. and participates in the Schwab Institutional Services program for independent investment advisers. Black Lake Capital Corp. recognizes its duty to obtain best price and execution for its clients under the circumstances available.

Client Brokerage and Custody Costs

The various qualified custodians generally do not charge separately for custody services but are compensated by charging commissions or other fees on trades that they execute or that settle into the client's account.

The custodian may also charge a flat fee (known as a "ticket charge") for trades executed by an outside broker where the proceeds settle into the client's custodial account. The custodian's ticket charge is in addition to the commissions or other compensation that may be paid to the outside (executing) broker. In order to minimize client trading costs, Black Lake Capital executes the majority of trades through Charles Schwab & Co., the firm's preferred custodian.

Use of Other Brokers and Best Execution

We have a duty to seek "best execution" of trades for our clients. There may be situations where Black Lake Capital places trades with a broker other than the client's custodian (as discussed in the previous section). In such cases the commissions and/or transaction fees paid shall comply with Black Lake Capital's duty to obtain best execution. Black Lake Capital clients may pay a commission that is higher than another qualified broker might charge to effect the same transaction if Black Lake Capital determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received.

Soft Dollar Arrangements

It is Black Lake Capital's policy to not direct any client transactions to a particular broker in return for products and/or research services.

Item 13 – Review of Accounts

Accounts are reviewed on an ongoing basis. Reviews are triggered by security purchase or sale decisions, account rebalancing, actual or anticipated significant cash flows into or out of an account, and/or changes in investment objectives. Reviews are conducted by Talbert Gray Cooper. As portfolio manager, Mr. Cooper will consider asset allocation, diversification, risk, income and individual security selection in relation to client objectives.

Our services include access to our portfolio managers and staff, either via telephone or through personal visits. Black Lake Capital periodically issues each client a comprehensive report which includes historical cost information, current market values, unrealized gain and loss figures, estimated annual income, and performance calculations. We also include a letter detailing our current view of the markets.

For taxable accounts, Black Lake Capital provides an annual schedule of gains and losses. We pay close attention to the tax consequences of our portfolio management throughout the year and, if desired, coordinate our efforts with our clients' other advisors.

Item 14 – Client Referrals and Other Compensation

Currently, compensation is not linked to referrals of new business.

Item 15 – Custody

Clients receive monthly statements from the custodian that holds and maintains the client's investment assets. Black Lake Capital urges clients to carefully review such statements.

Item 16 – Investment Discretion

Both the client *and* Black Lake Capital sign an agreement granting Black Lake Capital discretionary trading authority. Additionally, as part of the relationship between the client and the custodian, Black Lake Capital is granted limited powers which include the authorization to place trades in the client's account. Under this arrangement, Black Lake Capital has the authority to determine which securities are bought or sold and the quantity of securities bought and sold. This discretionary trading authority allows Black Lake Capital to implement the agreed upon investment strategy on the client's behalf. None of Black Lake Capital's managed accounts have withheld full discretionary authority.

Item 17 – Voting Client Securities

As shareholders, clients have the right to elect directors and to vote on certain other matters. Clients can choose to delegate their voting authority, known as a *proxy*, to Black Lake Capital. Black Lake Capital is charged with voting shares in the best interest of its clients. Black Lake Capital ultimately exercises its own judgment on each issue. Policies have been established to address conflicts of interest if they arise.

Black Lake Capital will also provide clients a record of any proxies voted on their behalf upon request.

Item 18 – Financial Information

Black Lake Capital has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.

Item 19 – Requirements for State-Registered Advisers

Talbert Gray Cooper, MBA, President and Portfolio Manager
Black Lake Capital Corp.
130 Chestnut Lane
Athens, GA 30606

Educational Background and Business Experience

Talbert Gray Cooper, MBA, President and Portfolio Manager, b. 1973

Education:

A.B. Freeman School of Business, Tulane University, Master of Business Administration, Concentration: Finance May 2001

Hobart and William Smith Colleges, Bachelor of Arts, Major: Economics, Minor: European History June 1996

Business Background:

Black Lake Capital Corp., Athens, GA President and Chief Compliance Officer
Registered Investment Adviser May 2008 - Present

Palm Beach County Clerk & Comptroller – Treasury Department, West Palm Beach, FL
Debt Analyst Jan. 2007 – May 2008

Asset Strategy Consultants, West Palm Beach, FL, Advisory Representative
Investment Management Firm September 2006 – December 2006

Sabbatical June 2006 – August 2006

Lydian Wealth Management, Palm Beach, FL, Consulting Financial Analyst
Wealth Management Firm Oct. 2004 – May 2006

Wachovia Securities, Philadelphia, PA, Investment Banking Associate, Public Finance Dept.
Broker/Dealer Sept. 2001 – Sept. 2004

MFS Investment Management, Boston, MA, Assistant Trader
Investment Firm March 1998 – June 1999

Internship, Securities and Exchange Commission, -Washington, D.C., 1995

Black Lake Capital Corp. is solely engaged in providing Investment Management and Consultation Services. Talbert Gray Cooper also provides private land management services for a private land holding.

Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. There is no information about Talbert Gray Cooper that applies under this Item.

Other Business Activities

Talbert Gray Cooper is not engaged in any investment-related businesses outside of Black Lake Capital.

Additional Compensation

Talbert Gray Cooper does not receive any additional compensation beyond his salary and bonuses from Black Lake Capital for providing investment advisory services.

Supervision

Black Lake Capital personnel are required to abide by the *Code of Ethics* as presented in our *Supervisory and Compliance Policies and Procedures Manual and Code of Ethics*. The *Code of Ethics* requires that employees “make reasonable efforts to detect and prevent violations of applicable laws, rules, regulations, and the Code and Standards by anyone subject to their supervision or authority.” Our compliance policies and procedures detail how our firm maintains compliance with applicable rules and regulations. In addition, all of Black Lake Capital’s employees’ activities are monitored by Talbert Gray Cooper, Chief Compliance Officer. Mr. Cooper’s phone number is (706) 850-5780.