



## **PRIVACY POLICY**

Effective: November 2, 2011

Under Federal law<sup>1</sup> and regulations issued by the Securities and Exchange Commission<sup>2</sup>, all Registered Investment Advisers, such as Potomac Investments, Inc. are required to provide to each of its customers a statement of its policies regarding the security and privacy of privileged client information. This document which is being provided to all “customers” (as that term is defined in the regulations, this refers to clients who have signed an agreement with Potomac Investments, Inc. and established an ongoing relationship as well as former customers), is intended to be that statement.

1. Potomac Investments, Inc. does not disclose or in any way share “Nonpublic Personal Information”<sup>3</sup> relating to its customers to any unrelated third parties. It is to be noted that each customer has established one or more custody account(s) with a brokerage firm, bank, mutual fund or comparable organization which holds the assets in the account and completes transactions as directed by Potomac Investments, Inc. or the customer. Customers will have provided certain Nonpublic Personal Information to that custodian, which may be updated from time to time by the customer or Potomac Investments, Inc. Each customer should be receiving a statement of privacy policy as to that custodian directly from the custodian.
2. Potomac Investments, Inc. does not have any affiliates and therefore does not disclose any Non-public Personal Information to affiliates.
3. All current written records maintained by Potomac Investments, Inc. (which would include Nonpublic Personal Information) are kept in one or more of the offices utilized by the firm. These offices are kept locked at all times except when occupied by one or more of the firm’s employees. Older written records are kept in a locked storeroom in the basement of our Seattle office building. It is to be noted that building security personnel and maintenance personnel do have access to the office and that building security personnel have access to the storeroom.
4. All computer records maintained by Potomac Investments, Inc. are kept on the hard drives of the firm’s computers. Backup copies are kept off-site in a safe. Potomac Investments, Inc. uses commercially available anti-virus programs to protect the computer systems from viruses and malware.

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<sup>1</sup> The Gramm-Leach-Bliley Act. 15 U.S.C. 5801-6810

<sup>2</sup> Regulation S-P, Privacy of Consumer Financial Information

<sup>3</sup> The term includes (i) information supplied by an individual to the firm to obtain investment advisory services (e.g., information provided on an application to open an advisory relationship) and information resulting from any financial transaction between a consumer and a securities firm (e.g., information about account balances, securities positions or financial products purchased or sold) and (ii) any list or summary derived from such information.