

Disclosure: Before proceeding, please note that investing in any form involves significant risks and that past performance is not an indication of future performance.

Form ADV: Part II

Uniform Application for Investment Advisor Registration

Name of Investment Adviser:

Traff Asset Management

SEC File Number:

SEC 801-65150

Dated:

01/28/2015

Address:

Plaza Tower, 110 N College, Suite 1402
Tyler, Texas 75702

Phone Number:

903-593-2396

Website:

<http://www.traffasset.com>

This Brochure provides information about the qualifications and business practices of Bisonwood Investments, Inc dba Traff Asset Management. If you have any questions about the contents of this Brochure, please contact us at (903) 593-2396. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Additional information about Traff Asset Management is available on the SEC's website at: <http://www.adviserinfo.sec.gov>.

Registration as an investment adviser with the SEC does not imply a certain level of skill or training.

Applicant:
Traff Asset Management, Inc.

SEC File Number: Date:
801-65150

1/28/2015

1. Material Changes

This brochure has not had any material changes since Traff Asset Management's last brochure dated January 27, 2014.

2. Table of Contents

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Notes:

1. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a current valid OMB control number.
2. Schedules 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

3. Advisory Services and Fees

Bisonwood Investments, Inc dba Traff Asset Management (“Traff Asset Management”, the “Firm”, or “TAM”), founded in 2005, is an investment and asset management advisory service registered with the Securities and Exchange Commission. TAM estimates that all of its revenues and billings come from this service. This is to mean that TAM is exclusively involved in the supervision, management, and investment of funds on the basis of the individual needs of each client.

TAM's approach to investing is focused on asset allocation, which is the division of a portfolio's investments among asset classes to balance expected risk and reward. These asset classes include, but are not limited to, small and large stocks, value and growth stocks, domestic and international securities, emerging market securities, real estate, commodities, and corporate and government bonds. This approach is influenced by the work of Nobel Prize laureates William Sharpe and Harry Markowitz, who shaped the role of financial science in investing through their development of Modern Portfolio Theory ("MPT"). MPT states that a portfolio diversified across asset classes offers the best opportunity for an investor to achieve the highest possible return for a given level of risk.

TAM is strictly a fee-only, registered investment advisory firm. The Firm does not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. No commissions in any form are accepted. In addition, no finder's fees are accepted.

TAM provides select financial planning services to its investment management clients, but does not give advice on matters unrelated to securities or issuing periodicals about securities by subscription. TAM also does not provide clients with tools invest on their own, issue special reports about investing, or furnishing advice about securities in any manner not explicitly described above.

TAM provides investment counsel to clients and selects investments and investment managers for clients to utilize in exchange for fees, which are based off of the amount of assets under TAM's management. Compensation is payable on a quarterly basis and is billed to clients at the end of each quarter (end of March, June, September, December). Traff Asset Management manages accounts on a discretionary basis¹; however, it has accepted non-discretionary accounts in the past.²

As of the time of this brochure, TAM manages \$66,033,297 in client assets on a discretionary basis and \$533,060 in client assets on a non-discretionary basis.

¹ Discretionary basis is the most convenient way for an individual portfolio manager to manage assets because the customer authorizes the manager to manage the customer's assets within the chosen investment strategy.

² Non-discretionary accounts are limited to charitable organizations, linked family accounts, and a few existing and long-standing relationships. No new non-discretionary accounts will be taken outside of these parameters.

Traff Asset Management's fee schedule is as follows:

<u>Amount held with Traff Asset (US Dollars)</u>		<u>Annual Rate of Fees</u>
\$0	to \$500,000	1.50%
\$500,001	to \$1,000,000	1.25%
\$1,000,001	to \$5,000,000	1.00%
\$5,000,001	to \$10,000,000	0.75%
In excess of \$10,000,000		0.50%

This fee schedule is retroactive to the first dollar invested and the minimum account size is US\$250,000. Traff Asset Management reserves the right to make exceptions to this minimum, at its sole discretion.

Fees are billed quarterly based on the value of the client's account at the end of the quarter. New accounts start their quarterly billing cycle in the month that TAM begins management of the account. Clients with multiple accounts may elect to have management fees paid out of a designated account if not prohibited by law. The fee for any period less than a calendar quarter, either at the commencement or termination of this agreement shall be pro-rated on a per diem basis of 365 days per year.

For the purpose of fee billing, related accounts may be combined to reduce fees at the Firm's sole discretion.³

Either the client or the Firm may terminate the investment advisory relationship by giving thirty (30) days prior written notice to the other party.

Fees charged by the firm in connection with a managed account may be in addition to custodial, legal, accounting, or record keeping costs charged by third parties. Traff Asset Management's compensation is not based on a share of the capital gains or any portion of such funds.

The services rendered by TAM may be available from other investment advisors at lower fees.

Traff Asset Management votes proxies on behalf of the client in accordance with Rule 206(4)-6 under the Investment Advisers Act of 1940, which states that registered advisers act in the best interest of their clients when exercising proxy authority. The rule also obligates advisers to provide clients with information on how their securities were voted. TAM reminds clients of the option to review its Proxy Voting policies on an annual basis, but a full copy of the Firm's Proxy Voting Policy is available upon request at any time.

Examples:

Please note that these examples are not inclusive of every possible scenario or outcome that either the client or TAM may experience, but they are provided to give the client a better understanding of some of the concepts illustrated above.

³ A related account is defined as other family accounts serviced by Traff Asset Management.

- A client with US\$750,000 in assets managed by TAM would be billed an annual rate of 1.25% because they fall into the range between US\$500,001 and US\$1,000,000. So for each quarterly billing, the client would receive a bill for $US\$750,000 * (1.25\% / 4)$ equal to: US\$2,343.75 per quarter.
- If the client had started or ended the relationship with TAM in the middle of the quarter, this billing amount would be adjusted by the days that TAM managed the assets during the quarter.
- Later, if the account has grown to US\$1,250,000, the client would now be billed an annual rate of 1.00% because they fall into the range between US\$1,000,001 and US\$5,000,000. The entire US\$1,250,000 will be billed this 1.00%, as opposed to the first US\$750,000 still being billed at the prior rate. In this way, TAM's fees apply retroactively on dollars invested with the Firm. The clients new bill would be for: $US\$1,250,000 * (1.00\% / 4)$ equal to: US\$3,125.00 per quarter.

4. Types of Clients

Traff Asset Management has a wide range of clients for whom it manages assets. These clients generally include:

- Individuals and high net-worth individuals⁴
- Pensions and profit sharing plans
- Trusts, estates or charitable organizations
- Corporations or business entities

As part of SEC regulations, TAM must disclose the number of high net-worth individuals that are clients, and although it is sometimes difficult to estimate a clients true net worth, TAM estimates that over 35 clients are high net-worth individuals.

5. Types of Investments

Traff Asset Management invests in or offers advice on the following types of investments:

- Equity securities, namely:
 - Exchange-listed securities (ex: stocks listed on the NASDAQ or New York Stock Exchange)
 - Securities traded over-the-counter (ex: "pink sheets")
 - Foreign issuers (ex: stocks either listed on foreign indices, such as Hong Kong's Hang Seng, or foreign companies that issue an American Depository Receipt and elect to have their shares traded on a US-based index.)
 - United States government securities

⁴ High net-worth individuals are generally defined in the private banking business as individuals typically having investable assets in excess of US\$1 million. However, the SEC definition is that a "high net worth individual" is an individual with at least US\$750,000 managed by the reporting adviser, or whose net worth the adviser reasonably believes exceeds US\$1,500,000.

- Warrants⁵
- Corporate debt securities (other than commercial paper)
- Certificates of deposit (more commonly referred to as "CD"s)
- Municipal securities (ex: securities issued by a city to fund a local project)
- Mutual fund shares

6. Methods of Analysis, Sources of Information, Investment Strategies and Risk of Loss

Traff Asset Management uses a number of methods to analyze and ultimately choose the securities that it invests client money into. These methods include:

- Modern Portfolio Theory (MPT)
- Fundamental
- Cyclical
- Technical
- Charting

MPT attempts to maximize a portfolio's expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by selecting the proportions of various asset classes rather than selecting individual securities. Fundamental and Cyclical analysis generally involves examining a company's underlying financial status and anticipating future moves in the stock based off improved financial results along with accounting for historic variations for the time of the year. Technical and Charting analysis generally involves examining and comparing stock prices and market averages along with traditionally favorable patterns in the movements of stock prices.

To employ MPT properly, one must start with an accurate determination of an individual's objective and subjective tolerance for risk. Based on this risk analysis, TAM seeks to create an individualized investment plan using the optimal asset classes in which to invest, the most efficient and inexpensive ETFs to represent each of those asset classes, and the ideal mix of asset classes based on the client's specific risk tolerance.

The main sources of information for TAM include:

- Research materials prepared by others, whether analysts within TAM or through published research reports from larger investment banks
- Annual reports, prospectuses, filings with the Securities and Exchange Commission
- Corporate rating services, such as Moody's
- Financial newspapers and magazines
- Inspections of corporate activities
- Company press releases

⁵ A warrant is a security that entitles the holder to buy the underlying stock of the issuing company at a fixed price until the expiration date.

TAM customizes its investment approach for each client, and to achieve the right fit for each client, TAM may use a number of different strategies, which can include:

- Long term purchases, where securities are held at least for one year
- Short term purchases, where securities are bought and sold within one year
- Trading securities, where securities are bought and sold within 30 days
- Short sales, where TAM essentially takes a negative position in a stock and profits by its decline
- Margin transactions, buying and selling securities in a margin account⁶

Traff Asset Management will always strive to act in a client's best interest, but there are inherent and material risks involved for any significant investment strategy. These risks are numerous but include: Economic Risks, Inflation, Market Valuation Risks, Business Risks, and Force of Sale Risks.

- Economic Risks, where the economy can experience a downturn
- Inflation, where the effective value of a client's money declines at the rate of inflation
- Market Valuation Risks, where a security is overvalued by the market and subsequently drops in value
- Business Risks, where a security's core business may experience a downturn and subsequently the security drops in value
- Force of Sale Risks, where an investor may have to exit a stock at a bad time due to outside forces such as liquidity issues, such as a margin call or buying a new house, needing to pay for medical bills, etc.

7. Disciplinary Information

As of the date of this Brochure, we do not have any items to disclose to you for Traff Asset Management or our management persons.

8. Education and Business Standards

Traff Asset Management is operated in accordance with the general standards of education and business experience that is involved with determining or giving investment advice to clients.

TAM requires each applicant to possess a college degree in a related field. In addition, each applicant is required to have work experience in a related field. It should be noted that Traff Asset Management reserves the right to vary from these internal requirements at its sole discretion.

⁶ Margin accounts are a brokerage account in which a broker lends the customer cash to purchase securities. The loan in the account is collateralized by the securities and cash. In a margin account, the client is effectively investing the broker's money and by using leverage in such a way, both the gains and losses of the account are magnified.

9. Other Business Activities

Traff Asset Management is not involved with any activities other than giving investment advice, selling products or services other than investment advice to clients, nor are the principal executive officers primarily involved with something other than providing investment advice.

10. Other Financial Industry Activities or Affiliations

TAM has no other financial industry activities or affiliations. Lastly, neither TAM nor a related person is a general partner in any partnership in which clients are solicited to invest.

11. Participation or Interest in Client Transactions

TAM and its related people may also buy or sell securities that it also recommends to clients.

Traff Asset Management, personally or through related firms, may from time to time purchase, sell or hold the same securities as its clients. For example, Traff Asset Management, David Traff personally, and clients may all own shares in General Electric common stock.

In such instances, a client's interests are always equivalent or superior to Traff Asset Management interests in the context of entry points, timing or other decision-making related to the investment in question. The client's interests always come before those of Traff Asset Management and its principals.

As such, TAM believes that this similar ownership creates incentive alignment between the Firm, its principals and its clients, and structured and handled properly, TAM believes this provides an additional level of service and supervision to the client. Traff Asset Management clients always receive equal or better terms than Traff Asset Management principals in investment and extraction of funds where there is commonality of investment, as well as fees paid and any other situation whatsoever where there is the potential for abuse or conflict of interest.

TAM has formed a Code of Ethics around the principles of serving the client's best needs. This Code of Ethics is available for clients at any time upon request, and TAM reminds clients on an annual basis that the Code of Ethics is available for their review. For more information on the Code of Ethics, please see Section 15.

12. Conditions for Managing Accounts

TAM provides investment supervisory services and manages investment advisory accounts while imposing a minimum dollar value of assets and an approval to take on a new client pending an interview with TAM. The value for this minimum is US\$250,000, but TAM reserves the right to waive it at its sole discretion.

Additionally, TAM may decide not to take on a new client even if the client brings assets over TAM's minimum.

13. Review of Accounts

All client accounts are reviewed by TAM's portfolio managers on an ongoing basis. Clients receive confirmations, account statements and online access to their accounts from the custodian firm. All individual client accounts are held in separate accounts by the custodian firm.

Traff Asset Management typically provides quarterly account reports to its clients. Depending on the client's wishes, these reports may be delivered less frequently, up to either a semi-annual or annual basis. These reports typically include performance monitoring and comparison to applicable benchmarks, which is usually a market index, and a peer group analysis.

14. Investment or Brokerage Discretion

Based on the advisory contract signed by the client, Traff Asset Management, has the authority to determine, without obtaining specific client consent, the:

- Securities to be bought or sold
- Amount of the securities to be bought or sold
- Broker or dealer to be used

TAM will also select the broker for clients to use because the custodian firm that TAM uses will also act as a brokerage for the clients accounts. TAM receives no funds or 'soft dollars' back from this brokerage firm. The broker has been or will be selected on reputation, abilities, feeds, ease of use, as well as other criteria determined by David Traff, at his sole discretion. To date, TAM uses the custodian firm's brokerage because it provides the lowest cost and best platform. TAM reserves the right to change this at any time, but will provide clients with notice and any changes will be recorded in future versions of this document.

TAM has an arrangement with National Financial Services LLC and Fidelity Brokerage Services LLC (collectively, and together with all affiliates, "Fidelity") through which Fidelity provides TAM with

"institutional platform services." The institutional platform services include, among others, brokerage, custody, and other related services. Fidelity's institutional platform services that assist TAM in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Commission rates will typically be set by the custodian or executing broker dealer. Traff Asset Management will attempt to negotiate on behalf of the client for the lowest cost possible. Furthermore, Traff Asset Management will not receive any rebates, financial considerations, soft dollars, travel, entertainment or any other compensation, cash or otherwise from the custodian or executing broker dealer, or other brokerage firms with whom Traff Asset Management conducts a business. The only exception to this policy is for expense reimbursements related to education or instructive in-system operations.

Traff Asset Management will be responsible and accountable for all trading errors, whether resulting in a gain or loss. In the event the error can't be attributable to a specific client account, TAM will retain both the gains and losses resulting from the error. If the error pertains directly to a specific client account, the client's account will retain the gains resulting from the trading error while TAM will retain the losses resulting from the trading error.

15. Additional Compensation

TAM does not have any arrangements, either oral or in writing, where we are paid cash or receive an economic benefit for services given to clients. Additionally, TAM is not compensated either directly or indirectly for client referrals. Lastly, TAM does not receive research or any additional benefit from any brokerage firm in consideration for the execution of client transactions.

16. Balance Sheet

TAM does not provide a balance sheet for the most recent fiscal year because it does not: i) bill in advance or ii) hold customer funds.

17. Code of Ethics

The Firm has adopted a Code of Ethics that applies to all employees of the Firm. The Code of Ethics requires that all Firm employees place the interests of the client above their own in every situation. The Code of Ethics also addresses real and perceived conflicts of interest inherent in the Firm's operations.

The Code of Ethics also states that any violation of the Code will subject the individual to disciplinary action by the Firm. Finally the Code of Ethics requires each employee to certify on an annual basis that they have read the Code of Ethics and agree to abide by its terms and conditions.

As part of his duties, the President of the Firm, David Traff, regularly monitors and verifies compliance of all employees with requirement of the Code of Ethics.

A copy of the Firm's Code of Ethics is available upon request, and an annual reminder is sent out to clients to let them know that the Code of Ethics is available should they want a review it.

18. Business Continuity Plan

Traff Asset Management has developed a Business Continuity Plan, also known as a Disaster Recovery Plan, to address how the Firm will respond to events that may disrupt its business. Since timing and impact of disasters is unpredictable, the Firm will have to be flexible in responding to the events as they occur.

Contact information – if after a significant business disruption the main telephone line is inactive, the emergency phone number is (903) 245-0420 or (903) 279-7555. If the emergency line is down, please contact the custodian.

The Business Continuity Plan is designed to permit TAM to resume operations as quickly as possible, given the scope and severity of the significant business disruption. The Business Continuity Plan covers the process of declaring an emergency, alternative business location, notification of the proper authorities, protection of client information, and trading records, preparedness of vendors and custodians, and continued communication with clients.

Significant business disruptions can vary in their scope, such as emergencies affecting only a single building housing TAM, the business district where TAM is located, the city where TAM is located, or the whole region. Within each of these areas, the severity of the disruption can also vary from minimal to severe. In a disruption to only our Firm or a building housing the Firm, we will transfer our operations to an emergency ready local site, moving a select group of trained employees and expecting to recover and resume business within four hours. In a disruption affecting our business district, city, or region, TAM will relocate appropriate staff to a site outside of the affected area to be able to communicate with the custodian on behalf of our clients. In either situation, we will plan to continue in business, transferring operations to our clearing firm if necessary. If the significant business disruption is so severe that it prevents us from remaining in business, our clearing firm is one of the largest financial institutions in the world, assuring our customers prompt access to their funds and securities.

19. Privacy Principles Notice

Under the *Gramm-Leach-Bliley Act*, Traff Asset Management is required to inform clients of our policies and practices regarding the privacy and security of your personal financial information.

All information we receive about our clients is treated as strictly confidential and we do not disclose any private financial information about our clients to any third parties, except as directed or requested by you or as required by law.

Traff Asset Management has set up internal policies and procedures, as well as physical and electronic safeguards, in compliance with federal laws and regulations to protect the integrity of your private information.

A full copy of TAM's Privacy Principles is available to clients at any time upon request, and TAM also sends out an annual reminder to clients to let them know that the Privacy Principles are available should they want to review it.