

FORM ADV

Uniform Application for Investment Adviser Registration

Part II - Page 1

OMB APPROVAL
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Name of Investment Adviser: Karp Capital Management Corporation				
Address: (Number and Street)	(City)	(State)	(Zip Code)	Area Code: Telephone Number:
2269 Chestnut Street, #308	San Francisco	CA	94123	(415) 345-8185

**This part of Form ADV gives information about the investment adviser and its business for the use of clients.
The information has not been approved or verified by any government authority.**

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(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.)
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FORM ADV

Part II - Page 2

Applicant: Karp Capital Management Corporation	SEC File Number: 801-63195	Date: March 3, 2005
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Definitions for Part II

Related person - Any officer, director or partner of applicant or any person directly or indirectly controlling, controlled by, or under common control with the applicant, including any non-clerical, non-ministerial employee.

Investment Supervisory Services - Giving continuous investment advice to a client (or making investments for the client) based on the individual needs of the client. Individual needs include, for example, the nature of other client assets and the client's personal and family obligations.

1. **A. Advisory Services and Fees.** (check the applicable boxes) For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)

Applicant:		
<input checked="" type="checkbox"/>	(1) Provides investment supervisory services	76%
<input type="checkbox"/>	(2) Manages investment advisory accounts not involving investment supervisory services	%
<input type="checkbox"/>	(3) Furnishes investment advice through consultations not included in either service described above	%
<input type="checkbox"/>	(4) Issues periodicals about securities by subscription	%
<input type="checkbox"/>	(5) Issues special reports about securities not included in any service described above	%
<input type="checkbox"/>	(6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities	%
<input checked="" type="checkbox"/>	(7) On more than an occasional basis, furnishes advice to clients on matters not involving securities	24%
<input type="checkbox"/>	(8) Provides a timing service	%
<input type="checkbox"/>	(9) Furnishes advice about securities in any manner not described above	%

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

B. Does the applicant call any of the services it checked above financial planning or some similar term?

	Yes	No
	<input checked="" type="checkbox"/>	<input type="checkbox"/>

C. Applicant offers investment advisory services for: (check all that apply):

<input checked="" type="checkbox"/>	(1) A percentage of assets under management	<input type="checkbox"/>	(4) Subscription fees
<input checked="" type="checkbox"/>	(2) Hourly charges	<input type="checkbox"/>	(5) Commissions
<input checked="" type="checkbox"/>	(3) Fixed fees (not including subscription fees)	<input type="checkbox"/>	(6) Other

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. **Types of Clients** - Applicant generally provides investment advice to: (check those that apply)

<input checked="" type="checkbox"/>	A. Individuals	<input checked="" type="checkbox"/>	E. Trusts, estates, or charitable organizations
<input type="checkbox"/>	B. Banks or thrift institutions	<input checked="" type="checkbox"/>	F. Corporations or business entities other than those listed above
<input type="checkbox"/>	C. Investment companies	<input type="checkbox"/>	G. Other (describe on Schedule F)
<input checked="" type="checkbox"/>	D. Pension and profit sharing plans		

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

Applicant:

Karp Capital Management Corporation

SEC File Number:

801- 63195

Date:

March 3, 2005

3. Types of Investments. Applicant offers advice on the following: (check those that apply)

- | | |
|---|--|
| <input checked="" type="checkbox"/> A. Equity Securities | <input checked="" type="checkbox"/> H. United States government securities |
| <input checked="" type="checkbox"/> (1) exchange-listed securities | |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter | <input type="checkbox"/> I. Options contracts on: |
| <input checked="" type="checkbox"/> (3) foreign issues | <input checked="" type="checkbox"/> (1) securities |
| <input type="checkbox"/> B. Warrants | <input type="checkbox"/> (2) commodities |
| <input checked="" type="checkbox"/> C. Corporate debt securities
(other than commercial paper) | <input type="checkbox"/> J. Futures contracts on: |
| <input checked="" type="checkbox"/> D. Commercial paper | <input type="checkbox"/> (1) tangibles |
| <input type="checkbox"/> E. Certificates of deposit | <input type="checkbox"/> (2) intangibles |
| <input checked="" type="checkbox"/> F. Municipal securities | <input type="checkbox"/> K. Interests in partnerships investing in: |
| <input type="checkbox"/> G. Investment company securities | <input checked="" type="checkbox"/> (1) real estate |
| <input checked="" type="checkbox"/> (1) variable life insurance | <input type="checkbox"/> (2) oil and gas interests |
| <input checked="" type="checkbox"/> (2) variable annuities | <input checked="" type="checkbox"/> (3) other (explain on Schedule F) |
| <input checked="" type="checkbox"/> (3) mutual fund shares | <input type="checkbox"/> L. Other (explain on Schedule F) |

4. Methods of Analysis, Sources of Information, and Investment Strategies.

A. Applicant's security analysis methods include: (check those that apply)

- | | |
|---|--|
| (1) <input checked="" type="checkbox"/> Charting | (4) <input checked="" type="checkbox"/> Cyclical |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical | |

B. The main sources of information applicant uses include: (check those that apply)

- | | |
|---|--|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines | (5) <input type="checkbox"/> Timing services |
| (2) <input type="checkbox"/> Inspections of corporate activities | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the
Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input type="checkbox"/> Company press releases |
| (4) <input checked="" type="checkbox"/> Corporate rating services | (8) <input type="checkbox"/> Other (explain on Schedule F) |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- | | |
|--|---|
| (1) <input checked="" type="checkbox"/> Long term purchases
(securities held at least a year) | (5) <input checked="" type="checkbox"/> Margin transactions |
| (2) <input checked="" type="checkbox"/> Short term purchases
(securities sold within a year) | (6) <input checked="" type="checkbox"/> Option writing, including covered options,
uncovered options or spreading strategies |
| (3) <input checked="" type="checkbox"/> Trading (securities sold within 30 days) | (7) <input type="checkbox"/> Other (explain on Schedule F) |
| (4) <input checked="" type="checkbox"/> Short sales | |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

Applicant: Karp Capital Management Corporation	SEC File Number: 801-63195	Date: February 14, 2007
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5. Education and Business Standards.

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? Yes No
 (If yes, describe these standards on Schedule F.)

6. Education and Business Background.

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- name • formal education after high school
- year of birth • business background for the preceding five years

7. Other Business Activities. (check those that apply)

- A. Applicant is actively engaged in a business other than giving investment advice.
- B. Applicant sells products or services other than investment advice to clients.
- C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

8. Other Financial Industry Activities or Affiliations. (check those that apply)

- A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:

<input checked="" type="checkbox"/> (1) broker-dealer	<input type="checkbox"/> (7) accounting firm
<input type="checkbox"/> (2) investment company	<input type="checkbox"/> (8) law firm
<input type="checkbox"/> (3) other investment adviser	<input checked="" type="checkbox"/> (9) insurance company or agency
<input type="checkbox"/> (4) financial planning firm	<input type="checkbox"/> (10) pension consultant
<input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant	<input checked="" type="checkbox"/> (11) real estate broker or dealer
<input type="checkbox"/> (6) banking or thrift institution	<input type="checkbox"/> (12) entity that creates or packages limited partnerships

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest? Yes No

(If yes, describe on Schedule F the partnerships and what they invest in.)

Applicant: Karp Capital Management Corporation	SEC File Number: 801- 63195	Date: May 1, 2006
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9. Participation or Interest in Client Transactions.

Applicant or a related person: (check those that apply)

- A. As principal, buys securities for itself from or sells securities it owns to any client.
- B. As broker or agent effects securities transactions for compensation for any client.
- C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

- 10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account?

Yes No

(If yes, describe on Schedule F.)

11. Review of Accounts. If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

See Schedule F.

- B. Describe below the nature and frequency of regular reports to clients on their accounts.

See Schedule F.

Applicant: Karp Capital Management Corporation	SEC File Number: 801-63195	Date: May 13, 2004
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12. Investment or Brokerage Discretion.

- A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:
- | | | |
|--|--|--------------------------------|
| (1) securities to be bought or sold? | Yes
<input checked="" type="checkbox"/> | No
<input type="checkbox"/> |
| (2) amount of the securities to be bought or sold? | Yes
<input checked="" type="checkbox"/> | No
<input type="checkbox"/> |
| (3) broker or dealer to be used? | Yes
<input checked="" type="checkbox"/> | No
<input type="checkbox"/> |
| (4) commission rates paid? | Yes
<input checked="" type="checkbox"/> | No
<input type="checkbox"/> |

- B. Does applicant or a related person suggest brokers to clients? Yes No

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

13. Additional Compensation.

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? Yes No
- B. directly or indirectly compensates any person for client referrals? Yes No

(For each yes, describe the arrangements on Schedule F.)

14. Balance Sheet. Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
 - requires prepayment of more than \$500 in fees per client and 6 or more months in advance
- Has applicant provided a Schedule G balance sheet? Yes No

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II**

Applicant: Karp Capital Management Corporation	SEC File Number: 801-63195	Date: January 15, 2008
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Karp Capital Management Corporation	IRS Empl. Ident. No.: 20-1159707
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Item of Form (identify)	Answer
1.D.	<p>Karp Capital Management Corporation ("KCM") provides discretionary and non-discretionary investment management services.</p> <p>KCM receives an asset-based management fee of 1.5% <i>per annum</i>. This fee is billed quarterly in advance, based on the value of the account as of the last day of the previous calendar quarter.</p> <p>Clients may terminate on 30 days written notice. Upon termination, any pre-paid fees will be prorated to the date of termination and unearned fees will be returned to the client.</p> <p>Financial planning services are provided for an hourly fee of \$500 per hour. Alternatively a fixed fee can be negotiated based on the estimated time it will take to prepare the plan. KCM expects the fixed fee to be approximately \$1,500. Clients are generally requested to deposit 100% of the fee upon execution of the Agreement. Clients may terminate the Financial Planning Agreement, without penalty, at any time on written notice. Upon termination, any prepaid fees will be prorated to the date of termination and unearned fees will be returned to the client.</p> <p>KCM may also provide investment advisory services to 401(K) programs where it will work with the plan and/or its participants regarding asset allocation and/or management. Fees for this service will be billed at a rate of \$400 per hour or annual fee ranging from 1.0% to 1.25% based on the assets managed by KCM. The actual fee will be negotiated with the client prior to commencement and will be based on the scope and complexity of the services.</p> <p><u>Proxy Voting</u></p> <p>As a matter of policy and as a fiduciary to its clients, KCM has responsibility for voting proxies for clients' portfolio securities consistent with the best economic interests of the clients.</p> <p><u>Voting Guidelines</u></p> <p>(a) In the absence of specific voting guidelines, KCM will vote proxies in the best interests of each particular client. KCM's policy is to vote all proxies from a specific issuer the same way for each client absent qualifying restrictions from a client. KCM's clients are permitted to place reasonable restrictions on voting authority in the same manner that they may place such restrictions on the actual selection of securities in their accounts; and</p> <p>(b) KCM will generally vote in favor of routine corporate housekeeping proposals such as the election of directors and selection of auditors absent conflicts of interest raised by an auditor's non-audit services;</p> <p><u>Conflicts of Interest</u></p> <p>(a) KCM will identify any conflicts that exist between KCM's interests and the interests of the client by reviewing its relationship with the issuer of each security to determine if KCM or any of its employees has any financial, business or personal relationship with the issuer;</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II**

Applicant: Karp Capital Management Corporation	SEC File Number: 801-63195	Date: January 15, 2008
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Karp Capital Management Corporation	IRS Empl. Ident. No.: 20-1159707
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Item of Form (identify)	Answer
	<p>(b) If a material conflict of interest exists, the Investment Policy Committee will determine whether it is appropriate to disclose the conflict to the affected clients so as to give the clients an opportunity to vote the proxies themselves, or to address the voting issue through other objective means such as voting in a manner consistent with a predetermined voting policy or receiving an independent third party voting recommendation; and</p> <p>(c) KCM will maintain a record of the voting resolution of any conflict of interest.</p> <p>Any client may request a copy of KCM's complete proxy voting policy, or a record of how a proxy was voted by contacting Peter Karp by e-mail or telephone.</p>
3.K.	KCM may also provide advice to clients regarding investments in investment limited partnerships and commodity partnerships.
5.	As general standards, an undergraduate degree and some prior business experience are required. Graduate work and a specialized business or technical skill are preferred, but are not required. In addition, any associated persons will meet the examination or experience requirements of the states in which they provide investment advisory services.
6.	<p>Peter C. Karp, born 1965 received his Bachelor of Arts in Biochemistry and Economics from UC Santa Barbara, Santa Barbara, CA, in 1987.</p> <p><u>Business Background</u></p> <p>5/04 - Present Karp Capital Management Corporation, San Francisco, CA Investment Advisor, President</p> <p>6/04 - Present Financial Telesis, San Rafael, CA Broker/Dealer, Registered Representative</p> <p>7/87 - Present Peter C. Karp, San Francisco, CA Real Estate Broker, Sole Proprietor</p> <p>3/93 - 5/04 Merrill Lynch, Oakland, CA Broker/Dealer, Registered Representative</p>
7., 8. & 9.B.	<p>Clients of any entity mentioned in item 7 or 8 & 9.B. of this Schedule F are under no obligation to use any other entity mentioned in this Schedule F.</p> <p>Peter C. Karp is also a licensed mortgage broker with Finet Mortgage of Saratoga ("Finet"). Mr. Karp may receive the regular and customary commissions for mortgages which he negotiates for clients who are also investment advisory clients. The commissions to be charged will be discussed with each client prior to providing this type of services. Advisory clients are under no obligation to use Mr. Karp or Finet as mortgage brokers.</p> <p>Mr. Karp is also a registered representative with Financial Telesis, a FINRA registered broker dealer. When a client chooses to execute securities transactions through Mr. Karp in his capacity of a registered representative of Financial Telesis, Mr. Karp will receive the regular and customary commissions for that trade. In this situation, a conflict of interest exists between the interests of the client and KCM. Commissions may be higher or lower at Financial Telesis than other broker/dealers. Clients are under no obligation to execute securities transactions through Mr. Karp or Financial Telesis. Any additional compensation received by Mr. Karp will be disclosed to the client before the execution.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II**

Applicant: Karp Capital Management Corporation	SEC File Number: 801-63195	Date: January 15, 2008
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Karp Capital Management Corporation	IRS Empl. Ident. No.: 20-1159707
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Item of Form (identify)	Answer
9.D. & E.	<p>Peter Karp is a licensed life insurance agent, and as such sells life insurance and annuities products. Mr. Karp may recommend insurance products to clients and may receive commissions for such sales if a client elects to purchase such products through Mr. Karp in his capacity as insurance agent. The insurance products sold are transacted with a variety of insurance companies on a commission basis. Clients are under no obligation to purchase or apply for any insurance, or to use Mr. Karp as the broker for insurance products purchased. If clients decide to purchase or apply for insurance, or use Mr. Karp as the broker for insurance products, a conflict may exist between the interests of KCM and the interests of the client.</p> <p>From time to time, KCM may cause clients to buy a security in which KCM or an associated person has an ownership position, or KCM or an associated person of KCM may purchase a security of the same class as securities held in a client's account. It is KCM's policy not to permit associated persons (or certain of their relatives) to trade in a manner that takes advantage of price movements caused by clients' transactions.</p> <p>From time to time, trading by KCM and its associated persons (and certain of their relatives) in particular securities may be restricted in recognition of impending investment decisions on behalf of clients. Transaction orders for KCM and its associated persons will be the last orders filled.</p> <p>KCM and its associated persons may purchase or sell specific securities for their own account based on personal investment considerations without regard to whether the purchase or sale of such security is appropriate for clients.</p> <p>Clients may request a copy of KCM's Code of Ethics policy at any time.</p>
10.	KCM generally requires discretionary advisory clients to maintain a minimum account size of \$500,000, although this minimum may be waived in certain circumstances.
11.A.	All accounts will be reviewed periodically by Mr. Karp, president of KCM, for overall adherence with the investment philosophy employed by KCM. Account holdings will also be reviewed at any time changing market conditions warrant.
11.B.	Investment reports are provided to clients at least on a quarterly basis. These reports may be provided to clients by the custodian of the assets.
12.A. & 13.A.	<p>For some clients, KCM has the authority to execute transactions through the broker previously selected by the client, without obtaining prior written consent for each transaction. Any commissions or transactions fees which may be charged by the broker are fully disclosed to the client by the broker prior to opening the account with the selected broker.</p> <p>KCM may also be authorized to determine the broker to be used and the commission rates at which transactions for client accounts will be effected, with the objective of attaining the most favorable price and market execution for each transaction. Clients may limit discretionary authority in terms of the type of mutual funds or other securities to be bought or sold, and the broker-dealer to be used. In addition to using brokers as "agents" and paying commissions, KCM may effect transactions in securities directly from or to dealers acting as principal at prices that include markups or markdowns and</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II**

Applicant: Karp Capital Management Corporation	SEC File Number: 801-63195	Date: January 15, 2008
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Karp Capital Management Corporation	IRS Empl. Ident. No.: 20-1159707
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Item of Form (identify)	Answer
	<p>may purchase from underwriters or dealers in public offerings at prices that include compensation to the underwriters and dealers.</p> <p>When selecting a broker-dealer for any transaction or series of transactions KCM may consider a number of factors, including, for example, net price, reputation, financial strength and stability, efficiency of execution and error resolution, block trading and block positioning capabilities, willingness to execute related or unrelated difficult transactions in the future, order of call, offering KCM complete on-line computer access to the data regarding client's account, and other matters involved in the receipt of brokerage services generally.</p> <p>KCM does not obligate itself to obtain lowest commission or the best net price for the account on any particular transaction, nor does KCM execute any order in a fashion either preferential to one account relative to other like accounts managed by KCM, or otherwise materially adverse to such other accounts. KCM may effect securities transactions that cause an account to pay a commission that exceeds the commission another broker-dealer would have charged; provided, however that KCM determines in good faith that such commission is reasonable in relation to the value of brokerage, research, and other services provided by such broker-dealer, viewed in terms of either the specific transaction or KCM's overall responsibilities to the portfolios over which KCM exercises authority. The receipt of investment information from any broker-dealer executing transactions for KCM will not result in a reduction in KCM's customary and normal research activities. Any such information received from broker-dealers as a consequence of the placement of brokerage business for certain clients may be used by KCM for the benefit of all its clients.</p> <p><u>"Soft Dollars"</u></p> <p><i>Generally.</i> KCM may select a broker or dealer in recognition of the value of various services or products, beyond transaction execution, that a broker-dealer ("broker") provides where, considering all relevant factors, it believes the broker can provide best execution. The amount of compensation paid to such a broker may be higher than what another, equally capable broker might charge. Selecting a broker in recognition of services or products other than transaction execution is known as paying for those services or products with "soft dollars." Because many of those services could benefit KCM, and because the soft dollars used to acquire them will be assets of KCM's clients, KCM could be considered to have a conflict of interest in allocating client brokerage business, including an incentive to effect more transactions than it might otherwise do in order to obtain those benefits. The extent of that conflict depends in large part on the nature and uses of the services and products acquired with soft dollars. Where a particular service or product provides benefits to other clients and/or KCM itself, KCM may allocate the cost among the various persons who receive benefits. The investment management agreements entered into by and between KCM and its clients generally authorize KCM to use client soft dollars for a wide range of purposes.</p> <p>Under Section 28(e) of the Securities Exchange Act of 1934, as amended (the "Safe Harbor") KCM's use of soft dollars generated by the client's commissions to acquire certain research and brokerage goods or services is presumed not to breach KCM's fiduciary duty to the client—even if the brokerage commissions paid are higher than the lowest available—as long as (among other requirements) the commissions being paid by the client are reasonable in relation to the value of the goods and services obtained and</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II**

Applicant: Karp Capital Management Corporation	SEC File Number: 801-63195	Date: January 15, 2008
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Karp Capital Management Corporation	IRS Empl. Ident. No.: 20-1159707
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Item of Form (identify)	Answer
	<p>they provide KCM with lawful assistance in its investment decision-making. The Safe Harbor generally is not available where transactions are effected on a principal basis (with a markup or markdown paid to the broker-dealer), for transactions involving futures interests or for services or products that do not constitute research or brokerage services as those terms are currently interpreted by the Securities and Exchange Commission.</p> <p>Subject to the general policies on the use of soft dollars set forth herein, KCM may permit brokers and dealers to pay for expenses that KCM would otherwise have to bear or that otherwise provide benefits to it. Research services obtained with soft dollars may include, for example, traditional research reports, discussions with analysts and meetings with corporate executives to obtain reports on the performance of a company (but not travel and related expenses associated with arranging trips to meet corporate executives, analysts or other individuals who may provide research), certain data services (e.g., those that provide market data, company financial data or economic data), research related to the market for securities (e.g., pre-trade and post-trade analytics, research that identifies optimal execution venues and trading strategies, advice from brokers on order execution and/or the availability of buyers and sellers, execution strategies and market color), tuition for research-related seminars and conferences (excluding associated travel and related expenses), software that provides analysis of the performance of securities portfolios (excluding such software that is used for marketing purposes), certain corporate governance research and rating services and certain proxy voting services that KCM uses to make voting decisions. Brokerage services obtained with soft dollars may include, for example, quotation and communication equipment and services (e.g., First Call, Reuters, Bloomberg, etc.), other order management systems (OMS) that provide trading software or provide connectivity to such software, trade analysis software, on-line pricing services, communication services relating to execution, clearing and settlement (e.g., dedicated lines between the broker manager and the manager (or the manager's OMS)) and message services used to transmit orders.</p> <p>A broker or dealer with which KCM has soft dollar arrangements may establish "credits" relating to brokerage commissions paid in the past which may be used to pay, or reimburse them for, specified expenses. In other cases, a broker or dealer may provide or pay for the service or product and suggest a level of future business that would fully compensate it. The client's actual transactional business with such a broker-dealer may be less than the suggested level but can—and likely will—exceed that level. This may be in part because the client's investment activities generate aggregate commissions in excess of the aggregate suggestions from all broker-dealers providing services and products. And it may be in part because those broker-dealers may also provide superior execution and may therefore be the most appropriate for particular transactions. KCM will not exclude broker-dealers from client business simply because they have not provided research or other services or products.</p> <p>Where a particular service or product that a broker or dealer is willing to provide for soft dollars has not only a "research" application, but is also useful to KCM for non-"research" purposes, KCM may allocate the cost of the product or service between its "research" and non-"research" uses and pay only the "research" portion with soft dollars. KCM's interest in making such allocations may differ from clients' interests in that KCM has an incentive to designate as great a portion of the cost as "research" as possible in order to permit payment with soft dollars.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II**

Applicant: Karp Capital Management Corporation	SEC File Number: 801-63195	Date: January 15, 2008
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Karp Capital Management Corporation	IRS Empl. Ident. No.: 20-1159707
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Item of Form (identify)	Answer
12.B.	<p><i>Other Services and Products.</i> Where a client has consented, soft dollars may also be used to acquire services and products that provide benefits to KCM and that may not qualify as “research” and/or to pay expenses otherwise payable by KCM. These may include hardware and software used in administrative activities. KCM may use some clients’ soft dollars to pay such expenses and not others’. Using soft dollars for such purposes would not be protected by Section 28(e) and KCM would have a conflict of interest in doing so, as it would have an incentive to use broker-dealers who provide or pay for products and services for which KCM would otherwise have to pay cash. Further, if soft dollars are limited, KCM may have an incentive to cause those expenses to be paid with soft dollars while the clients pay their own expenses (such as custody and recordkeeping) with cash, rather than through “direct brokerage”, as discussed below.</p> <p><i>Review.</i> KCM monitors transaction results as orders are executed to evaluate the quality of execution provided by the various brokers and dealers it uses, to determine that compensation rates are competitive and otherwise to evaluate the reasonableness of the compensation paid to those brokers and dealers in light of all the factors described above.</p> <p><i>Referrals of Investors and Advisory Clients.</i> In selecting a broker, KCM may consider a broker’s referrals of investors to partnerships sponsored by KCM or advisory clients to KCM, the potential for future referrals, and/or a broker-dealer’s willingness to pay third-party finders for such referrals. The conflict of interest involved in using soft dollars to pay for these types of services and products and to defray these types of expenses is also not protected by the Section 28(e) “safe harbor.”</p> <p><u>Directed Brokerage</u> In some instances, because of a prior relationship between a client and one or more brokers, or for other reasons, a client may instruct KCM to execute any or all securities transactions for their account with or through one or more brokers designated by the client. In such cases, the client is responsible for negotiating the terms and conditions (including, but not limited to, commission rates) relating to all services to be provided by such brokers and the client is satisfied with such terms and conditions. KCM has no responsibility for obtaining the best prices or any particular commission rates for transactions with or through any such broker for such client's account. The client recognizes that it may not obtain rates as low as it might otherwise obtain if KCM had discretion to select broker-dealers other than those chosen by the client. If KCM believes, in its exclusive discretion, that it cannot satisfy its fiduciary duty of best execution by executing a transaction for a client account with a broker designated by the client, KCM may execute that transaction with a different broker-dealer. Any client providing instructions to KCM regarding direction of brokerage transactions must notify KCM in writing if the client desires KCM to cease executing transactions with or through any such broker-dealer.</p> <p>As discussed in item 8. & 9.B., when a client agrees to execute securities transactions through Mr. Karp in his capacity of a registered representative of Financial Telesis, he will receive the regular and customary commissions. Any fees received for these transactions will be disclosed to the client before the transaction.</p> <p>For some clients, particularly those clients who do not currently have a custodian, KCM may recommend a broker. There is no requirement that a client use such broker as KCM recommends. Such recommendations will take into account a number of factors, some of which are transaction fees, custodial fees charged by the broker for holding securities</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II**

Applicant: Karp Capital Management Corporation	SEC File Number: 801-63195	Date: January 15, 2008
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Karp Capital Management Corporation		IRS Empl. Ident. No.: 20-1159707
Item of Form (identify)	Answer	
13.B.	<p>for the client, commission rates, interest charges on debit balances and interest credits on credit balances, quality of execution, recordkeeping and reporting capabilities, and research services provided by the broker to KCM on a "soft dollar basis," including both standard broker research and "third party" research. In recommending a broker, KCM will attempt to minimize the total cost for all brokerage services paid by the client. However, it may be the case that the recommended broker charges a higher fee for a particular type of service, such as commission rates, than can be obtained from another broker. It may also be the case that the total costs of all services provided by the recommended broker may be higher than can be obtained at another broker if KCM determines in good faith that such total costs are reasonable in relation to the value of brokerage and research services provided by such broker, viewed in terms of KCM's overall responsibilities to the client.</p> <p>KCM may also employ solicitors to whom it will pay cash or a portion of the advisory fees paid by clients referred to it by those solicitors. In such cases, this practice will be disclosed in writing to the client and KCM will comply with the other requirements of Rule 206(4)-3, under the Investment Advisers Act of 1940, as amended.</p>	

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