

# CONCORD ATLANTIC

Brochure of Investment Advisor Business and Practices

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4 A.B.&C. Advisory Business

Concord Atlantic, Inc. (“the Advisor”) - Offering investment advice and portfolio management since 1993.  
Stephen Moroz, Managing Director

Concord Atlantic provides investment advice and portfolio management to a diverse client base that includes individuals, foundations, trusts and corporate pension plans. The company serves the needs of investors through a range of investment solutions. Concord Atlantic is committed to developing long-term strategies and relationships that defines our business and builds a secure financial future for our clients.

As the cornerstone of the investment program, the Advisor prepares an investment policy statement for each client. Through in-depth consultation, an investment strategy is developed and a customized investment plan is crafted. This document defines the basis for portfolio management and consists of investment objectives, asset allocation, risk management, time horizon and performance reporting. The portfolio formulated from the plan is diversified among appropriate asset classes of stocks, bonds, cash in optimum proportion according to each client’s investment profile.

The Advisor seeks to maximize long-term capital growth by investing in well managed companies that generate cash and consistently earn above average rates of return on capital. This is accomplished through purchases of marketable common stocks at prices that are attractive relative to each company’s long-term intrinsic value.

The Advisor manages fixed-income assets to generate income, reduce portfolio volatility and facilitate securities transactions. The Advisor gauges market and economic conditions when determining the quality, maturity and duration of the fixed income investments. These securities may include money market products, U.S. Treasury obligations, foreign debt, municipal and corporate bond securities.

The Advisor may use selected mutual fund investments in lieu of individual securities to satisfy various asset classes. These investments include “no load” funds, institutional funds and “load” funds where the sales charge has been waived for the Advisor.

4 D&E. Client account are segregated and individually managed. The Advisor does not participate in “wrap fee” accounts and generally does not accept aggressive trading accounts. As of March 2011, of non-discretionary and discretionary accounts Concord Atlantic manages, \$27,300,000 of the assets that Concord Atlantic manages are held in discretionary accounts. The Advisor has a \$100,000 account minimum. All investments involve risk. Clients must realize that loss of principal is a risk they must bear.

## 5 A.B.C.D. Advisor Fees and Compensation

Concord Atlantic is compensated on a fee basis only. Advisory fees are based on the total market value of cash and securities in the portfolio. Fees are payable in advance on the first day of each quarter and are automatically deducted from the client's account. Concord Atlantic's managed portfolios are individual accounts. In safeguarding client assets, Concord Atlantic does not retain custody of securities. Client investment funds are deposited, segregated and insured with a reputable, financially sound brokerage firm that custodies client assets and clears transactions. The custodial firm is a member of the New York Stock Exchange (NYSE) and the Securities Investor Protection Corporation (SIPC). The management fee schedule is not negotiable. The Advisor reserves its right to waive its management fees.

### Fee Schedule

	Equity and Balanced Accounts	Fixed Income Accounts
The first \$200,000.	1.25%	.625%
The next \$300,000.	1.00%	.500%
The next \$500,000.	0.80%	.400%
The next \$1,000,000.	0.75%	.375%
The next \$3,000,000.	0.60%	.300%
The next \$5,000,000.	0.50%	.250%

\*Individual accounts valued at less than \$100,000 are charged 1.50% per annum for equity and balanced portfolios and 0.75% for fixed income portfolios.

### Other Fees

Clients may or may not incur other fees from the custodian or mutual fund companies that include transaction fees, brokerage fees or custodial fees for certain assets. Advisor recommended investments may be made through other brokers or agents not affiliated with Concord Atlantic. The Advisor is compensated on a fee-basis only and does not assess any sales charges or commissions and does not receive any other consideration or service fees from any investment products or services provided.

### Termination of Services

A client may terminate the investment management agreement by giving written notice thirty days in advance of the termination date. Management fees are refunded on a pro rated basis.

## 5 E. Not Applicable

### 6. Performance-based fees and Side-by-Side Management – Not Applicable

### 7. Types of Clients – See Item 4

### 8. Methods of Analysis, Investment Strategies and Risk of Loss – See Item 4

### 9. Disciplinary Information – Not Applicable

### 10. Other Financial Industry Activities and Affiliations – Not Applicable

## 11 A. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

### Concord Atlantic - Code of Ethics

Concord Atlantic values the trust and confidence of its clients. The Advisor is dedicated to providing investment advice, portfolio management and personal service while maintaining the highest level of ethical standards and discretion.

1. The interests of the client are first and foremost.
2. The Advisor shall act as a fiduciary and advocate for the client.
3. The Advisor shall take no action that is in conflict with the interests of the client.
4. The Advisor shall operate under the principles of openness, integrity, honesty and trust.
5. The Advisor shall not accept any consideration or gifts from third parties that have a direct or indirect relationship to the Advisor or the client.

The Advisor Code of Ethics is available upon request.

#### 11 B. – Not Applicable

11 C&D. The Advisor Code of Ethics provides that if the Advisor personally invests in the same securities as a client it is only due to the potential merit of the investment. There is no financial or material gain by the Advisor. Transactions for the Advisor's account are secondary to the client account. Transactions for the client account may be executed individually or on a *pro rata* basis. If a relatively small number of shares are available, the Advisor may effect a transaction for only a certain number of clients. Personal trading for the Advisor is conducted separate and aside from client transactions.

#### 12 A. Brokerage Practices

If a client has no particular preference or objection, transactions will be consummated through a broker-dealer selected by the Advisor. The use of the broker-dealer would, in the opinion of the Advisor, serve the interests of the client with respect to commission rates applied to transactions; efficient execution of trades; secure custody of assets and other related investment services. Limitations to the authority of the Advisor are guided by the statutory responsibility to act as a fiduciary when managing client accounts, and the obligation (subject to the conditions hereinabove specified) to seek the best price and execution on all client trades.

#### 12 A. 1-3 – Not Applicable

#### 13 A.B.C.

The Advisor reviews client accounts several times each month (typically three to six times). Reviews may be undertaken because of a change of market conditions; change of security and/or cash position(s); requested by the client; change in a client's investment objective or change in the policies of the Advisor. The sequence of review varies and may be alphabetical, by investment objective or random. The review may focus on performance of accounts in the relation to investment objectives, specific security positions and/or other investment opportunities. The Advisor is responsible for reviewing each client's investment portfolio and functions in the capacity outlined above.

#### 14. Client Referrals and Other Compensation – Not Applicable

#### 15. Custody

Clients receive and should review the monthly account statement from the custodian that lists client assets and transactions. Clients also receive and should review the quarterly portfolio summary from the Advisor that lists client assets and portfolio performance. Clients have an opportunity to reconcile accounts with this information.

#### 16. Investment Discretion

The Advisor has discretion with respect to directing and supervising the investments of client accounts. The Advisor acts in the capacity as a fiduciary and is guided by the investment policy statement prepared for the client which incorporates suitability rules, i.e. *Know-Your-Customer*. This includes client investment objectives, client tolerance for risk and duration of the investment program.

#### 17. Voting Client Securities

The Advisor does not accept authority to vote client securities. Clients receive proxies and other solicitations from the custodian or transfer agent. Clients may contact the Advisor regarding a solicitation for objective, informational purposes only and not as a directive on how to vote securities.

#### 18. Financial Information – Not Applicable

#### 19 A. Requirements for State-Registered Advisers

Stephen Eugene Moroz, Managing Director  
Education – Harvard University, AB, 1984  
Business – Concord Atlantic, Inc. 1993-Present

#### 19 B. Not Applicable