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**March 24, 2011**

**FORM ADV PART 2  
BROCHURE**

**This brochure provides information about the qualifications and business practices of Steven L. Pomeranz Financial Management, Inc. If you have any questions about the contents of this brochure, please contact us at (561) 362-7850. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about Steven L. Pomeranz Financial Management, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Steven L. Pomeranz Financial Management, Inc. is 129446.**

**Steven L. Pomeranz Financial Management, Inc. is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.**

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## **Advisory Business**

Form ADV Part 2A, Item 4

### **Description of Services and Fees**

Steven L. Pomeranz Financial Management, Inc. is a registered investment adviser based in Boca Raton, Florida, organized as a corporation under the laws of the State of Florida, and has been providing investment advisory services since 1996. Steven L. Pomeranz is the owner, President and Chief Compliance Officer.

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we," "our" and "us" refer to Steven L. Pomeranz Financial Management, Inc., and the words "you," "your" and "client" refer to you as either a client or prospective client of our firm. In addition, you may see the term Associated Person throughout this brochure. As used in this brochure, our Associated Persons are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm.

Currently, we offer the following investment advisory services, which are customized to each individual client:

### **Financial Planning Services**

We engage in structured financial planning. Such services typically involve providing a variety of services available to you regarding the management of your financial resources based upon an analysis of your individual needs. This process typically begins with an initial complimentary consultation with you during which we may discuss your liquidity needs, risk tolerance, and other variables relevant to understanding your unique investment circumstances. If during this consultation, it is determined that you do not have a clear understanding of your overall finances, we will suggest a financial plan prior to retaining our firm for portfolio management services.

Successful investment management and asset allocation can be difficult to achieve if you cannot project a clear picture of your financial needs and time horizons; and with today's global markets, this can be very critical. In creating a financial plan for you we attempt to simplify and determine your financial alternatives by:

1. Defining and narrowing your objectives and investment options, and
2. Forcing creative thinking, and
3. Identifying areas of greatest concern, and
4. Creating a individual picture of your overall financial personality, and
5. Providing an effective and efficient way for us to address your individual financial needs and objectives.

The plan is designed to address the achievement of your specific personal and financial wishes, visions, and goals given your available resources and timetables. We will then use this plan in conjunction with the implementation process.

Where appropriate, and in our discretion, we may provide you with an Investment Policy Statement (IPS) that outlines a proposed investment strategy. The IPS is based on information gathered during the initial consultation, and will serve as a written assessment of our understanding of your stated investment objectives, needs, and risk tolerance.

We may use a contractor for financial planning services in the area of client data input, data analysis, and executive summary reports. We review all data and reports. The contractor may provide investment advisory services on our behalf.

Financial planning services are provided based on an hourly rate of \$250. An estimate of the time involved to complete the requested services will be determined at the inception of the advisory relationship. The final fee is dependent upon the facts and circumstances of your financial situation and the complexity of the financial plan or service(s) requested. One-half of the estimated fee is payable upon signing the financial planning agreement

with the balance due on completion of the contracted services.

At our discretion, we may reduce our advisory fees to offset our financial planning fees if you implement a financial plan through our firm's management services described above.

You may terminate the planning agreement by providing written notice to our firm. In the event you have pre-paid planning fees that we have not yet earned, we will promptly refund the unearned portion to you.

### **Asset Management Services**

We offer discretionary and non-discretionary portfolio management services. Our investment advice is tailored to meet our clients' needs and investment objectives. If you retain our firm for portfolio management services, we will meet with you to determine your investment objectives, risk tolerance, and other relevant information (the "suitability information") at the beginning of our advisory relationship. We will use the suitability information we gather to develop a strategy that enables our firm to give you continuous and focused investment advice and/or to make investments on your behalf. As part of our portfolio management services, we may customize an investment portfolio for you in accordance with your risk tolerance and investing objectives. We may also invest your assets using a predefined strategy, or we may invest your assets according to one or more model portfolios developed by our firm. Once we construct an investment portfolio for you, or select a model portfolio, we will monitor your portfolio's performance on an ongoing basis, and will rebalance the portfolio as required by changes in market conditions and in your financial circumstances.

If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow our firm to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm, a power of attorney, or trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with your restrictions and guidelines in writing.

If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account. You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

As part of our portfolio management services, we may use one or more investment managers (Third Party Money Managers) to manage a portion or all of your account on a discretionary basis. The Third Party Money Manager(s) may use one or more of their model portfolios to manage your account. We will regularly monitor the performance of your accounts managed by Third Party Money Manager (s), and may hire and fire any Third Party Money Manager without your prior approval. Our ability to hire and fire Third Party Money Managers on your behalf is based on you granting our firm discretionary authority, which is typically granted by the investment advisory agreement you sign with our firm, a power of attorney, or trading authority forms. We will pay a portion of our advisory fee to the Third Party Money Manager (s) we use; however, you will not pay our firm a higher advisory fee as a result of any third party advisory relationships.

The annual fee for separately managed accounts is billed quarterly in advance based upon the market value of the assets on the last day of the preceding quarter. Fees are based on an annual percentage that generally ranges between 0.15% and 2.00% of assets under management. *\*\*During the first year, there is a minimum non-refundable annual fee of \$1,500. However, we may, in limited circumstances, negotiate other fees, and/or waive the minimum fee requirement if, for example, you are a family member, friend, or have another related account.*

If the portfolio management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. In extraordinary client circumstances, we may negotiate other fees.

At our discretion, we may combine the account values of family members living in the same household to

determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values may increase the asset total, which may result in your paying a reduced advisory fee based on the available breakpoints in our fee schedule stated above.

You may terminate the portfolio management agreement upon 30-days' written notice to our firm. You will be charged for services provided prior to the termination of the portfolio management agreement. The fees will be calculated only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid management fees that we have not yet earned, we will promptly refund the unearned portion to you.

#### ***Asset Allocation and Portfolio Monitoring/Review Services***

We also offer asset allocation services and/or portfolio monitoring/review services to our clients on a non-continuous basis. We offer these services on a pre-determined basis, such as monthly, quarterly, semi-annually or annually. The frequency of the services to be provided will be agreed upon by you and our firm and will be detailed in our advisory agreement. Depending upon your needs, services may include a review of your existing portfolio with asset allocation recommendations, a review/evaluation of recommendations made by other advisory professionals for suitability, management and/or monitoring of your investments in a 401(k) or other retirement plan, or on-going portfolio monitoring services.

Fees for portfolio monitoring and review services range between 0.25% and 1.00% of your assets, payable quarterly in advance. Services to be provided and the anticipated fee range are detailed in the written advisory agreement between you and our firm. *\*\*During the first year, there is a minimum non-refundable annual fee of \$1,500. However, we may, in limited circumstances, negotiate other fees, and/or waive the minimum fee requirement if, for example, you are a family member, friend, or have another related account.*

You may terminate the advisory agreement upon 30-days' written notice to our firm. The fees will be calculated only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, we will promptly refund the unearned portion to you.

#### ***Private Portfolio Management and Recommendation of Other Investment Managers***

You may also engage us to conduct due diligence, selection, and monitoring of the investment performance of third-party portfolio management services offered by other investment advisers (Third Party Money Managers) for the provision of investment management, allocation, and timing services. In turn, Third Party Money Managers will provide direct management of your assets through the creation of portfolios designed for your stated goals and objectives.

Under such arrangements, we will make recommendations regarding the suitability of a Third Party Money Manager or investment style based on, but not limited to, your investment goals, risk tolerance, time horizon, account profile, investment objectives, and/or financial situation. All Third Party Money Managers that we utilize on behalf of your account must be either a state licensed investment adviser or a registered investment adviser with the Securities and Exchange Commission. We utilize the services of a third party to conduct thorough due diligence reviews of recommended Third Party Money Managers and third party investment programs. Factors that we take into consideration when evaluating whether to recommend a particular Third Party Money Manager or investment program includes the past performance, methods of analysis, and fees.

In addition to evaluating and recommending Third Party Money Managers to you, we will gather information from you about your financial situation, investment objectives, and reasonable restrictions you may wish to impose on the management of your account. We will monitor the Third Party Money Manager's performance, review reports provided to you, and assist you in understanding and evaluating the services provided by the Third Party Money Manager.

Our fees are billed quarterly in advance based upon the market value of the assets on the last day of the preceding quarter. Fees are based on an annual percentage that generally ranges between 0.15% and 2.00% of assets under management. *\*\*During the first year, there is a minimum non-refundable annual fee of \$1,500. However, we may, in limited circumstances, negotiate other fees, and/or waive the minimum fee requirement if, for example, you are a family member, friend, or have another related account. Depending on our fee sharing*

*arrangement with each Third Party Money Manager, we may deduct the entire fee from your account and compensate the third party provider for their portion or the third party manager may deduct the entire fee and compensate us for our portion. In any case, you will not be charged additional or higher fees for this service.*

Either party may terminate the agreement upon 30 days' written notice to the other party. The fee will be pro-rated for the quarter in which the cancellation notice was given and any unearned fees will be returned to the client.

#### **Payment of Fees**

We may send you an invoice for the payment of our advisory fee, or may deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy. We will also receive or have electronic access to duplicate copies of your account statements.

We encourage you to review your statements from your account custodian(s). If you have questions or if you do not receive a statement, please contact us at the number on the cover page of this brochure or contact your custodian directly.

#### **Types of Investments**

We offer advice on equity securities including exchange traded funds, investment company securities, bonds, alternative investments as well as other types of investment that we deem appropriate based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

#### **Assets Under Management**

As of December 31, 2010, we manage \$167,507,837 in client assets on a discretionary basis, and no client assets on a non-discretionary basis.

## **Fees and Compensation**

Form ADV Part 2A, Item 5

Please refer to the "Advisory Business" section in this brochure for information on our advisory fees, fee deduction arrangements, and refund policy according to each service we offer.

#### **Additional Fees and Expenses**

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through which your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the "Brokerage Practices" section of this disclosure brochure.

## ***Performance-Based Fees and Side-By-Side Management***

Form ADV Part 2A, Item 6

We do not accept performance-based fees. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described in the *Advisory Business* section above, and are not charged based on a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. We do not participate in side-by-side management of your accounts with performance-based fee accounts.

## ***Types of Clients***

Form ADV Part 2A, Item 7

We offer investment advisory services to individuals and pension and profit sharing plans.

In general, we require a minimum of \$50,000 to open and maintain an advisory account. At our discretion, we may waive this minimum account size. For example, we may waive the minimum if you appear to have significant potential for increasing your assets under our management. We may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum.

## ***Methods of Analysis, Investment Strategies and Risk of Loss***

Form ADV Part 2A, Item 8

### **Our Methods of Analysis and Investment Strategies**

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

No investment strategy or method of analysis can assure that any trade or investment will result in a profit. Furthermore, each client must understand that any trade or investment could result in a loss and that the value of any client portfolio could decline below the original investment.

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

**Fundamental Analysis** – involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data are used to measure the intrinsic value of the company's stock compared to the current market value. Risks associated with fundamental analysis include that information obtained may be incorrect and the analysis may not provide



an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

**Technical Analysis** – involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks. The risk of market timing based on technical analysis is that charts may not accurately predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

**Long-Term Purchases** – securities purchased with the expectation that the value of those securities will grow over a relatively long period, generally greater than one year. Long-term purchases may be affected by unforeseen long-term changes in the company in which you are invested or in the overall market.

**Short-Term Purchases and Trading** – securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations. We may use trading (in general, selling securities within 30 days of purchasing the same securities) as an investment strategy when managing your account(s). Trading is not a fundamental part of our overall investment strategy, but we may use this strategy occasionally when we determine that it is suitable given your stated investment objectives and tolerance for risk. However, frequent trading can negatively affect investment performance, particularly through increased brokerage and other transactional costs and taxes.

**Short Sales** – a securities transaction in which an investor sells securities he or she borrowed in anticipation of a price decline. The investor is then required to return an equal number of shares at some point in the future. A short seller will profit if the stock goes down in price. Short selling is very risky. Unlike a straightforward investment in stocks where you buy shares with the expectation that their price will increase so you can sell at a profit, in a "short sale" you borrow stocks from your brokerage firm and sell them immediately, hoping to buy them later at a lower price. Thus, a short seller hopes that the price of a stock will go down in the near future. A short seller thus uses declines in the market to his advantage. He makes money when the stock prices fall and loses when prices go up. The SEC has strict regulations in place regarding short selling. There is no ceiling on how much a short seller can lose in a trade. The share price may keep going up and the short seller will have to pay whatever the prevailing stock price is to buy back the shares. However, his gains have a ceiling level because the stock price cannot fall below zero. A short seller has to undertake to pay the earnings on the borrowed securities as long as he chooses to keep his short position open. If the company declares huge dividends or issues bonus shares, the short seller will have to pay that amount to the lender. Any such occurrence can skew the entire short investment and make it unprofitable. The broker can use the funds in the short seller's margin account to buy back his loaned shares or issue a 'call away' to get the short seller to return the borrowed securities. If the broker makes this call when the stock price is much higher than the price at the time of the short sale, then the investor can end up making huge losses.

**Margin Transactions** – a securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan. Margin trading allows you to buy more stock than you would be able to normally. An initial investment of at least \$2,000 is required for a margin account, though some brokerages require more. This deposit is known as the minimum margin. Once the account is opened and operational, you can borrow up to 50% of the purchase price of a stock. This portion of the purchase price that you deposit is known as the initial margin. Some brokerages require you to deposit more than 50% of the purchase price. Not all stocks qualify to be bought on margin. When you sell the stock in a margin account, the proceeds go to your broker against the repayment of the loan until it is fully paid. There is also a restriction called the maintenance margin, which is the minimum account balance you must maintain before your broker will force you to deposit more funds or sell stock to pay down your loan. When this happens, it is known as a margin call. If for any reason you do not meet a margin call, the brokerage has the right to sell your securities to increase your account equity until you are above the maintenance margin. Additionally, your broker may not be required to consult you before selling. Under most margin agreements, a firm can sell your securities without waiting for you to meet the margin call and you cannot control which stock is sold to cover the margin call. You also have to pay the interest on your loan. The interest charges are applied to your account unless you decide to make payments. Over time, your debt level increases as interest charges accrue against you. As debt increases, the interest charges increase, and so on. Therefore, buying on margin is mainly used for short-term



investments. The longer you hold an investment, the greater the return that is needed to break even. In volatile markets, prices can fall very quickly. You can lose more money than you have invested.

### **Tax Considerations**

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

Moreover, as a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the FIFO (First-In First-Out) accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

### **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

### **Recommendation of Particular Types of Securities**

As disclosed under the *Advisory Business* section in this brochure, we advise on various types of securities. We do not necessarily recommend one particular type of security over another, since each client has different needs and different tolerances for risk. Each type of security has its own unique set of associated risks. Risks can vary widely, even within the same type of securities. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

We do recommend mutual funds and some exchange traded funds. Mutual funds are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and exchange-traded funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. The returns on mutual funds and exchange-traded funds can be reduced by the costs to manage the funds. In addition, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds charge such fees, which can also reduce returns. Mutual funds can also be "closed end" or "open end." So-called "open end" mutual funds continue to allow in new investors indefinitely, which can dilute other investors' interests. We primarily recommend no-load funds. General risks associated with mutual funds and ETFs include poor performance of the underlying stocks.

We also recommend municipal and/or corporate bonds. While generally thought of as safe, municipal securities can have significant risks associated with them including, but not limited to: the credit worthiness of the governmental entity that issues the bond; the stability of the revenue stream that is used to pay the interest to the bondholders; when the bond is due to mature; and, whether or not the bond can be "called" prior to maturity. Corporate debt securities are typically safer investments than equity securities, but their risk can also vary widely based on: the financial health of the issuer; the risk that the issuer might default; when the bond is set to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same amount of interest or yield to maturity. General risks associated with bonds include increase in interest rates and default by the issuer.

## ***Disciplinary Information***

Form ADV Part 2A, Item 9

Steven L. Pomeranz Financial Management, Inc. has been registered and providing investment advisory services since 1996. Neither our firm nor any of our associated persons has any reportable disciplinary information.

## ***Other Financial Industry Activities and Affiliations***

Form ADV Part 2A, Item 10

### **Outside Business Activities**

Steven L. Pomeranz has ownership interests in La Paz LLC and Bird Island Partners, which are in no way related to the main registered investment advisor business.

Celestino Cubilla offers tax preparation services. These services may be offered to advisory clients. Please be aware that the fees paid to our firm for advisory services are separate and distinct from the tax preparation fees paid to Mr. Cubilla. You are hereby informed that you are under no obligation to utilize tax services offered by Mr. Cubilla.

John Carrig is also Sole Proprietor of Gold Coast Financial Planning, a registered investment adviser. Gold Coast Financial Planning is not affiliated with our firm through common control or ownership. Services and fees paid to Gold Coast Financial Planning are separate and distinct from those of our firm. Clients of our firm are not expected to become clients of Gold Coast Financial Planning or vice versa. It is anticipated that Mr. Carrig will spend the majority of his professional time providing advisory services to clients of Gold Coast Financial Planning.

## ***Code of Ethics, Participation or Interest in Client Transactions and Personal Trading***

Form ADV Part 2A, Item 11

### **Description of Our Code of Ethics**

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Our Code of Ethics is available to you upon request. You may obtain a copy of our Code of Ethics by contacting us at the number provided on the cover page of this brochure.

### **Participation or Interest in Client Transactions**

Neither our firm nor any of our Associated Persons has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

### **Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To eliminate this conflict of interest, it is our policy that neither our Associated Persons nor we shall have priority over your account in the purchase or sale of securities.

## ***Brokerage Practices***

Form ADV Part 2A, Item 12

We maintain business relationships with various broker-dealers. While you are free to choose any broker-dealer or other service provider, we recommend that you establish an account with a brokerage firm with which we have an existing relationship. Such relationships may include benefits provided to our firm, including but not limited to, research, market information, and administrative services that help our firm manage your account(s). We believe that recommended broker-dealers provide quality execution services for our clients at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by recommended broker-dealers, including the value of research provided, the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of research services and additional brokerage products and services recommended broker-dealers provide, you may pay higher commissions and/or trading costs than those that may be available elsewhere. Specifically, we routinely recommend the brokerage and custodial services of TD AMERITRADE, Inc. or Fidelity Investments. Both are independent and unaffiliated registered broker/dealers. We believe these firms will provide quality services at reasonable and competitive prices. You may utilize the broker-dealer of your choice and have no obligation to purchase or sell securities through such broker that we recommend.

We participate in the TD AMERITRADE Institutional program. TD AMERITRADE Institutional is a division of TD AMERITRADE, INC. ("TD AMERITRADE") member FINRA/SIPC/NFA. TD AMERITRADE is an independent and unaffiliated SEC-registered broker-dealer and FINRA member. TD AMERITRADE offers to independent investment advisers services, which include custody of securities, trade execution, clearance, and settlement of transactions. We receive no benefits from TD AMERITRADE through our participation in the program.

We recommend TD AMERITRADE to clients. There is no direct link between our participation in the program and the investment advice we give clients, although we receive economic benefits through our participation in the program that are typically not available to TD AMERITRADE retail investors. These benefits include the following products and services (provided without cost or at a discount):

- receipt of duplicate client statements and confirmations;
- research related products and tools;
- consulting services;
- access to a trading desk serving advisor participants;
- access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts);
- the ability to have advisory fees deducted directly from client accounts;
- access to an electronic communications network for client order entry and account information;
- access to mutual funds with no transaction fees and to certain institutional money managers; and,
- discounts on compliance, marketing, research, technology, and practice management products, or services provided us by third party vendors.

TD AMERITRADE may also have paid for business consulting and professional services received by our related persons and may also pay or reimburse expenses (including travel, lodging, meals, and entertainment expenses) for Advisor's personnel to attend conferences or meetings relating to the program or to TD AMERITRADE's advisor custody and brokerage services generally. Some of the products and services made available by TD AMERITRADE through the program may benefit us but may not benefit our client accounts. These products or services may assist us in managing and administering our client accounts, including accounts not maintained at TD AMERITRADE. Other services made available by TD AMERITRADE are intended to help us manage and further develop our business enterprise. The benefits received by us or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD AMERITRADE. As part of our fiduciary duties to clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by us or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of TD AMERITRADE for custody and brokerage services.

We also receive from TD AMERITRADE certain additional economic benefits ("Additional Services") that may or may not be offered to any other independent investment advisors participating in the program. Specifically, the Additional Services include the Advent Axys product, which provides certain portfolio management and performance reporting capability and the Morningstar Advisor Workstation, which encompasses research, sales, diagnostic, reporting, and portfolio tools.

TD AMERITRADE provides the Additional Services to us in its sole discretion and at its own expense, and we do not pay any fees to TD AMERITRADE for the Additional Services. We have entered into a separate agreement ("Additional Services Addendum") with TD AMERITRADE to govern the terms of the provision of the Additional Services.

#### **Directed Brokerage**

We routinely recommend that you direct our firm to execute transactions through TDAMERITRADE or Fidelity Investments. As such, we may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services. Not all advisers require their clients to direct brokerage.

In limited circumstances, and at our discretion, some clients may instruct our firm to use one or more particular brokers for the transactions in their accounts. If you choose to direct our firm to use a particular broker, you should understand that this might prevent our firm from aggregating trades with other client accounts or from effectively negotiating brokerage commissions on your behalf. This practice may also prevent our firm from obtaining favorable net price and execution. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that you will obtain through your broker are adequately favorable in comparison to those that we would otherwise obtain for you.

#### **Block Trades**

We combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

We combine multiple orders for bonds purchased for discretionary accounts; however, we do not combine orders for non-discretionary accounts. Accordingly, non-discretionary accounts may pay different costs than discretionary accounts pay. If you enter into non-discretionary arrangements with our firm, we may not be able to buy and sell the same quantities of bonds for you and you may pay higher commissions, fees, and/or transaction costs than clients who enter into discretionary arrangements with our firm.

## ***Review of Accounts***

Form ADV Part 2A, Item 13

Your account is monitored on a continuous basis. Each account, depending on portfolio size, is reviewed quarterly, semi annually or annually to determine if your individual needs and objectives are being met. General guidelines and cash needs are adjusted as necessary. Steven L. Pomeranz, President, or a senior member of the company will conduct reviews. Additional reviews may be provided based on a significant change in the market or the program in which you participate, or at your request which include, but are not limited to:

- contributions and withdrawals,
- year-end tax planning,
- security specific events, and/or,
- changes in your risk/return objectives.

The custodian typically will send you a confirmation of every securities transaction and a quarterly brokerage statement, which reflects all transactions in your account held by the custodian. We will maintain duplicate records on your portfolio and will provide you with a summary of assets upon request. We will notify you if we become aware of significant changes in financial conditions, which may affect your account(s). Additionally, you must notify us when you become aware of significant changes in your financial conditions, and/or risk tolerance and investment objectives, which may have an effect on your investment portfolios.

## ***Client Referrals and Other Compensation***

Form ADV Part 2A, Item 14

We do not receive any compensation from any third party in connection with providing investment advice to you; however, we may compensate third party individuals or firms for referring clients to us.

We directly compensate non-employee (outside) consultants, individuals, and/or entities (Solicitors) for client referrals. In order to receive a cash referral fee from our firm, Solicitors must comply with the requirements of the jurisdictions in which they operate. If you were referred to our firm by a Solicitor, you should have received a copy of this disclosure brochure along with the Solicitor's disclosure statement at the time of the referral. If you become a client, the Solicitor that referred you to our firm will receive a fixed amount or a percentage of the advisory fee you pay our firm for as long as you are a client with our firm, or until such time as our agreement with the Solicitor expires. You will not pay additional or higher fees because of this referral arrangement. Referral fees paid to a Solicitor are contingent upon your entering into an advisory agreement with our firm. Therefore, a Solicitor has a financial incentive to recommend our firm to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

Solicitors that refer business to more than one investment adviser may have a financial incentive to recommend advisers with more favorable compensation arrangements. We request that our Solicitors disclose to you whether multiple referral relationships exist and that comparable services may be available from other advisers for lower fees and/or where the Solicitor's compensation is more favorable.

## ***Custody***

Form ADV Part 2A, Item 15

We directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy. We will also provide statements to you reflecting the amount of advisory fee deducted from your account.

You should compare our statements with the statements from your account custodian(s) to reconcile the information reflected on each statement. If you have a question regarding your account statement or if you did not receive a statement from your custodian, please contact Steven L. Pomeranz, President at 561.362.7850.

## ***Investment Discretion***

Form ADV Part 2A, Item 16

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement, a power of attorney, and/or trading authorization forms.

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Please refer to the "Advisory Business" section in this brochure for more information on our discretionary management services.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advise provided by our firm on a non-discretionary basis.

## ***Voting Client Securities***

Form ADV Part 2A, Item 17

### **Proxy Voting**

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of common stock or mutual funds, you are responsible for exercising your right to vote as a shareholder. In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.



## ***Financial Information***

Form ADV Part 2A, Item 18

Our firm does not have any financial conditions or impairments that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and, we do not require the prepayment of more than \$1,200 in fees six or more months in advance. Therefore, we are not required to include a financial statement with this brochure.

## ***Additional Information***

### **Your Privacy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

### **Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a profit, the trade error will be corrected in the trade error account of the executing broker-dealer and you will not keep the profit.

### **Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.