

**The David J. Yvars Group, Inc.**  
**Form ADV Part 2A**  
**Investment Adviser Brochure**

**February 2011**

This brochure provides information about the qualifications and business practices of The David J. Yvars Group, Inc. If you have any questions about the contents of this brochure, please contact David J. Yvars, Chief Executive Officer and Chief Compliance Officer. 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 The David J. Yvars Group, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

400 Columbus Avenue  
Diamond Corporate Park  
Valhalla, NY 10595  
914.741.9700  
[David.Yvars@RaymondJames.com](mailto:David.Yvars@RaymondJames.com)  
[www.yvarsgroup.com](http://www.yvarsgroup.com)

## Item 2: Summary of Material Changes

---

### Introduction

In July, 2010, the United State Securities and Exchange Commission published a new rule “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure is a new document prepared according to the SEC’s new requirements and rules. As such, this document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to The David J. Yvars Group, Inc.’s DJY or the Firm) Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

### Full Brochure Available

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, DJY’s Brochure may be requested by contacting David J. Yvars at 914.741.9700 or David.Yvars@RaymondJames.com.

Additional information about DJY is also available via the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any persons affiliated with DJY who are registered, or are required to be registered, as investment adviser representatives of DJY.

## Item 3: Table of Contents

---

<b>Item 2: Summary of Material Changes</b>	<b>2</b>
Introduction	2
Full Brochure Available	2
<b>Item 4: Advisory Business</b>	<b>5</b>
Firm Description and Types of Advisory Services	5
Principal Owners	5
Investment Advisory Services	5
Financial Planning	5
Tailored Relationships	6
Wrap Fee Programs	6
Client Assets	6
<b>Item 5: Fees and Compensation</b>	<b>7</b>
Compensation	7
Agreement Terms	7
General Information on Compensation	7
<b>Item 6: Performance-Based Fees and Side-by-Side Management</b>	<b>9</b>
<b>Item 7: Types of Clients</b>	<b>10</b>
Types of Clients	10
Account Minimums	10
<b>Item 8: Methods of Analysis, Investment Strategies and Risk of Loss</b>	<b>11</b>
Methods of Analysis	11
Investment Strategies	11
Risk of Loss	11
Initial Public Offerings	12
<b>Item 9: Disciplinary Information</b>	<b>13</b>
Legal and Disciplinary	13
<b>Item 10: Other Financial Industry Activities and Affiliations</b>	<b>14</b>
Financial Industry Activities – Broker-Dealers	14
Financial Industry Activities – Futures and Commodities	14
Affiliations	14
<b>Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading</b>	<b>15</b>
Code of Ethics	15
Participation or Interest in Client Transactions – Financial Interest and Principal/Agency Cross	15
Participation or Interest in Client Transactions – Personal Securities Transactions	15
Participation or Interest in Client Transactions – Aggregation	16
<b>Item 12: Brokerage Practices</b>	<b>17</b>
Research and Other Soft Dollar Benefits	17
Brokerage for Client Referrals	17
Directed Brokerage	17
Directed Brokerage – Other Economic Benefits	18

Client Directed Brokerage	19
Trade Aggregation	19
<b>Item 13: Review of Accounts</b>	<b>20</b>
Reviews	20
Review Triggers	20
Reporting	20
Financial Planning	20
<b>Item 14: Client Referrals and Other Compensation</b>	<b>21</b>
Other Compensation	21
Compensation – Economic Benefits	21
Other Compensation – Brokerage Arrangements	21
Compensation – Client Referrals – Solicitation Arrangement	21
<b>Item 15: Custody</b>	<b>22</b>
Custody – Fee Debiting	22
Custody – Account Statements	22
<b>Item 16: Investment Discretion</b>	<b>23</b>
Discretionary Authority for Trading and Limited Power of Attorney	23
<b>Item 17: Voting Client Securities</b>	<b>24</b>
Proxy Voting	24
<b>Item 18: Financial Information</b>	<b>25</b>
Financial Condition	25
<b>Other Information</b>	<b>26</b>
Privacy	26
Business Continuity Plan	26
<b>Form ADV Part 2B – Investment Adviser Brochure Supplement</b>	<b>28</b>
<b>Educational Background and Business Experience</b>	<b>29</b>
Education and Business Background	29
Supervised Persons	29
<b>Disciplinary Information</b>	<b>31</b>
<b>Other Business Activities</b>	<b>32</b>
<b>Additional Compensation</b>	<b>33</b>
<b>Supervision</b>	<b>34</b>

## **Item 4: Advisory Business**

---

### **Firm Description and Types of Advisory Services**

DJY is an investment adviser providing investment advisory services as well as financial planning services to individuals, pension and profit sharing plans, trusts, estates and corporations. DJY was founded in 2004.

### **Principal Owners**

DJY is owned by David J. Yvars, Chief Executive Officer and Chief Compliance Officer, and David J. Yvars, Jr., Chief Operating Officer.

### **Investment Advisory Services**

DJY generally advises portfolios on a discretionary basis, although some portfolios may be non-discretionary. Through personal interviews, DJY gathers information about client assets, liabilities, investment goals, objectives and time horizon. DJY's creates customized, structured portfolios, tailored to each client's individual risk tolerance. Asset allocation mix may fluctuate and vary depending on DJY's recommendations and market conditions.

DJY may provide a detailed financial plan consistent with a client's financial status, investment objectives and constraints, risk tolerance and tax status. The financial plan may include the following areas of concern: personal, retirement, investments, tax and cash flow, and death and disability. The financial plan may also include generic recommendations as to general types of investment products or specific securities that may be appropriate for the client to purchase given his or her financial situation and objectives.

### **Financial Planning**

DJY offers financial planning services to clients for which it provides Investment Advisory Services.

Financial planning services may include a review of all aspects of a client's current financial situation, including the following components: cash management, risk management, insurance, education funding, goal setting, retirement planning, estate and charitable giving planning, tax planning, and capital needs planning. DJY may meet with the client to review risk tolerance, financial goals and objectives, and time horizons and may prepare a written financial plan.

Financial planning services are based on the client's financial situation at the time and are based on financial information disclosed by the client to DJY. Certain assumptions may be made with respect to interest and inflation rates and use of past trends and performance of the market and economy. DJY does not offer any guarantees or promises that client's financial goals and objectives will be met. Clients should notify DJY promptly of any changes to the client's financial goals, objectives or financial

situation as such changes may require a review of the plan and changes to recommendations.

### **Tailored Relationships**

DJY tailors investment advisory services to the individual needs of the client. The goals and objectives for each client are documented in our client relationship management system. Client Profiles are created that reflect the stated goals and objective. DJY clients are allowed to impose restrictions on the investments in their account. DJY may accept any reasonable limitation or restriction to discretionary authority on the account placed by the client. All limitations and restrictions placed on accounts must be presented to DJY in writing.

### **Wrap Fee Programs**

DJY does not participate in a Wrap Fee Program.

### **Client Assets**

As of December 31 2010, DJY managed approximately \$80.4 million in assets. Approximately \$68.6 is managed on a discretionary basis, and \$11.8 million is managed on a non-discretionary basis.

## Item 5: Fees and Compensation

---

### Compensation

DJY bases its fees on a percentage of assets under management. DJY's fee schedules are described below.

#### Compensation – Investment Advisory Services

For investment advisory services, the client will pay annualized advisory fees as follows.

Portfolio Value	Equity/Balanced	Fixed Income
First \$500,000	3.00%	1.25%
Next \$500,000	2.20%	1.10%
Next \$4,000,000	1.60%	1.00%
Above \$5,000,000	1.40%	0.80%

The advisory fee will be due and payable quarterly in advance on the market value of the account assets including cash under management as of the close of business on the last business day of the preceding quarter. Clients also elect to be invoiced directly for fees or to authorize DJY to directly debit fees from client accounts. Upon termination of any account, any earned, unpaid fees will be due and payable. If an account terminates within one year of opening, a 1% termination fee will apply.

The advisory fee will be payable when the account is established, pro-rated for the first partial quarter.

#### Compensation – Financial Planning

DJY generally does not charge a separate fee for financial planning services.

### Agreement Terms

A client may terminate the client agreement at any time by notifying DJY in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination.

#### General Information on Compensation

In certain circumstances, fees, account minimums and payment terms are negotiable depending on client's unique situation – such as the size of the aggregate related party portfolio size, family holdings, low cost basis securities, or certain passively advised investments and pre-existing relationships with clients. Certain clients may pay more or less than others depending on the amount of assets, type of portfolio, or the time involved, the degree of responsibility assumed, complexity of the engagement, special skills needed to solve problems, the application of experience and knowledge of the client's situation. Lower fees for comparable services may be available from other sources.

DJY may absorb, at its discretion, some or all of the transaction fees (including postage) related to a client portfolio.

DJY's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Mutual funds and variable annuity sub-account fees and expenses are described in each fund's or sub account's prospectus. These fees will generally include a management fee, other expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge.

Such charges, fees and commissions are exclusive of and in addition to DJY's fee, and DJY shall not receive any portion of these commissions, fees, and costs.

Apart from the personal client service provided directly by DJY, services identical to DJY's may be provided by other investment advisers for advisory fees that may be greater than or less than the advisory fees charged by DJY.

Neither DJY nor any of its supervised persons (employees) accept compensation for the sale of securities or other investment products.



## **Item 6: Performance-Based Fees and Side-by-Side Management**

---

Neither DJY nor any of its Supervised Persons (employees) accepts performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

DJY does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

## Item 7: Types of Clients

---

### **Types of Clients**

As described in Item 4, DJY's clients include individuals, pension and profit sharing plans, trusts, estates and corporations

### **Account Minimums**

The minimum portfolio size is \$500,000 for investment advisory clients, although this may be negotiable under certain circumstances. Waivers or exceptions may be granted at the exclusive discretion of DJY. DJY may group certain related client accounts for the purposes of achieving the minimum account size.

## **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss**

---

### **Methods of Analysis**

DJY may employ the following security analysis methods: Charting; fundamental analysis; technical analysis; and cyclical analysis.

DJY uses the following main sources of information including, financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission (SEC), and company press releases.

Other sources of information that DJY may use include information from investment managers, financial service companies, data base companies, financial journals, and government sources, Morningstar Principia mutual fund information, Morningstar Principia stock information, Advisor Intelligence, and the Internet.

### **Investment Strategies**

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes a Client Profile that documents their objectives and their desired investment strategy.

Other strategies may include long-term purchases, short-term purchases, trading, short sales, margin transactions, and option writing (including covered options, uncovered options or spreading strategies).

### **Risk of Loss**

Investing in securities involves risk of loss that clients should be prepared to bear. All investment programs have certain risks that are borne by the investor. DJY's investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.

- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

DJY reserves the right to advise clients on any other type of investment that it deems appropriate based on the client's stated goals and objectives. DJY may also provide advice on any type of investment held in a client's portfolio at the inception of the advisory relationship or on any investment on which the client requests advice.

### **Initial Public Offerings**

DJY typically does not participate on behalf of its clients in initial public offerings.

## Item 9: Disciplinary Information

---

### Legal and Disciplinary

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of DJY or the integrity of DJY's management. DJY has no information to disclose applicable to this Item.

## **Item 10: Other Financial Industry Activities and Affiliations**

---

### **Financial Industry Activities – Broker-Dealers**

DJY is not registered as a broker-dealer, and none of its management persons are registered representatives of a broker-dealer.

### **Financial Industry Activities – Futures and Commodities**

Neither DJY nor any of its management persons is registered as (or associated with) a futures commissions merchant, commodity pool operator, or a commodity trading advisor.

### **Affiliations**

Neither DJY nor any of its management persons have a material relationship or arrangement with any related person or financial industry entities, including:

1. broker-dealer, municipal securities dealer, or government securities dealer or broker
2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)
3. other investment adviser or financial planner
4. futures commission merchant, commodity pool operator, or commodity trading advisor
5. banking or thrift institution
6. accountant or accounting firm
7. lawyer or law firm
8. insurance company or agency
9. pension consultant
10. real estate broker or dealer
11. sponsor or syndicator of limited partnerships.

### **Other Affiliations – Insurance Agent**

Mr. Yvars is licensed and registered with the insurance department of the State of New York. He may enter into agreements with various insurance companies to provide fixed annuities and life insurance (including whole and term) policies; he will not receive any commission compensation from the insurance companies. He expects to devote no more than 1% of his time to the insurance activities described above.

### **Other Investment Advisors**

DJY does not recommend or select other investment advisors for its clients.

## **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

---

### **Code of Ethics**

DJY employees must comply with a Code of Ethics and Statement for Insider Trading. The Code describes the Firms' high standard of business conduct, and fiduciary duty to its clients. The Code's key provisions include:

- Statement of General Principles
- Policy on and reporting of Personal Securities Transactions
- A prohibition on Insider Trading
- Restrictions on the acceptance of significant gifts
- Procedures to detect and deter misconduct and violations
- Requirement to maintain confidentiality of client information

David J. Yvars, Chief Executive Officer and Chief Compliance Officer, reviews all employee trades each quarter. His trades are reviewed by Mary Jo Nardone, Chief Financial Officer. These reviews ensure that personal trading does not affect the markets, and that clients of DJY receive preferential treatment.

DJY's employees must acknowledge the terms of the Code of Ethics at least annually. Any individual not in compliance with the Code of Ethics may be subject to termination.

Clients and prospective clients can obtain a copy of DJY's Code of Ethics by contacting David J. Yvars at 914.741.9700.

### **Participation or Interest in Client Transactions – Financial Interest and Principal/Agency Cross**

DJY and its employees do not recommend to clients, or buy or sell for client accounts, securities in which they have a material financial interest.

It is DJY's policy that the Firm will not affect any principal or agency cross securities transactions for client accounts. DJY will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

### **Participation or Interest in Client Transactions – Personal Securities Transactions**

DJY and its employees may buy or sell securities identical to those recommended to clients for their personal accounts. The Code of Ethics, described above, is designed to assure that the personal securities transactions, activities and interests of the employees of DJY will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities, primarily mutual funds, have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of DJY's clients. In addition, the Code requires pre-clearance of many transactions. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and designed to reasonably prevent conflicts of interest between DJY and its clients.

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

DJY and its employees may trade in the same securities with client accounts on an aggregated basis when consistent with DJY's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. DJY will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the order.



## Item 12: Brokerage Practices

---

### Research and Other Soft Dollar Benefits

DJY does not receive formal soft dollar benefits other than execution from broker/dealers in connection with client securities transactions. See disclosure below in “Directed Brokerage – Other Economic Benefits”.

### Brokerage for Client Referrals

DJY does not receive client referrals from broker/dealers.

### Directed Brokerage

Clients are free to select any broker they wish, and are so informed. DJY generally recommends Raymond James Financial Services (RJFS); however, the client will ultimately be responsible for selection of the financial institution. The primary factors considered in DJY’s decision to recommend RJFS include financial strength and the quality of the products and services it offers to clients. Specific products and services include quality execution services, consolidated reporting of all assets and Internet access to client portfolios. Additionally, DJY receives client information electronically in order to facilitate its review of client portfolios.

When a client selects RJFS, commission rates will be the lowest rate available to DJY based on its volume of activity with RJFS; however, commissions may be charged which are higher or lower than commission rates at these firms other broker/dealers. DJY monitors RJFS’s best execution policies on a regular basis to ensure clients continue to receive high quality executions. DJY and its principals and advisor representatives do not share in any of the commissions, transaction fees or service fees that may be received by RJFS.

A client may select a broker other than RJFS if, for example, the client will be receiving investment advisory consulting services from such Specified Broker. The client may direct DJY to effect all transactions for the client's portfolio through a Specified Broker; DJY does not negotiate brokerage commissions with respect to transactions executed by the Specified Broker for the client's portfolio.

The client and the Specified Broker agree on the commission rate that the Specified Broker will charge for transactions effected for the amount. As a result, and depending upon:

1. The client's arrangement with the Specified Broker,
2. Such factors as the number of securities, instruments or obligations being bought or sold for the client, whether round or odd lots are being acquired for the client and the market for the security, instrument or obligation, and
3. The fact that the client will be foregoing any benefit from savings on execution costs that DJY could obtain for its clients through negotiating volume commission discounts on batched transactions.

The client may pay higher commissions than those paid by DJY's clients who have not directed DJY to execute transactions through a specified broker or dealer.

In addition, the client may not receive the lowest available price with respect to certain transactions effected for the client's portfolio. In its investment advisory agreements with clients who have directed DJY to execute transactions through a Specified Broker, DJY generally requires the client to acknowledge the potential for such conflicts of interest. With full disclosure, DJY believes that no conflict of interest that is detrimental to the client will result, since through full disclosure, the clients will have the opportunity to determine what is in their best interests.

The commissions paid by DJY's clients when DJY selects the broker, shall comply with DJY's duty to obtain "best execution." However, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where DJY determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while DJY will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions.

### **Directed Brokerage – Other Economic Benefits**

DJY clients use RJFS for all or substantially all of their brokerage transactions. In addition to brokerage services, RJFS provides DJY's clients with valuable custodial, and recordkeeping. DJY may have the opportunity to receive traditional "non-cash benefits" from RJFS such as customized statements; receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk servicing RJFS Advisors exclusively; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client portfolios; ability to have investment advisory fees deducted directly from client portfolios; access to an electronic communication network for client order entry and portfolio information; access to mutual funds which generally require significantly high minimum initial investments or those that are otherwise only generally available to institutional investors; reporting features; receipt of industry communications; and perhaps discounts on business-related products. RJFS may also provide general access to research and perhaps discounts on research products. Any research received is used for the benefit of all clients.

Periodically, DJY reviews its brokerage relationship with RJFS to ensure that it is fulfilling its fiduciary duty to seek best execution on client transactions. Since DJY provides asset allocation services to advisory clients, the rebalancing of clients' investment portfolios occurs on a regular basis. Because of such rebalancing, DJY clients may execute odd lot transactions, which could generate higher transaction fees.

While DJY endeavors at all times to put the interest of the clients first as part of its fiduciary duty, clients should be aware that the receipt of any additional compensation

itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

### **Client Directed Brokerage**

While DJY may at times recommend brokers, the client may direct DJY in writing to use a particular broker or dealer to execute transactions for the client's portfolio, of which the client will negotiate terms and arrangements with that broker or dealer. DJY will not seek better execution services or prices from other brokers or dealers and as a result, client could pay higher commissions, other transaction costs, greater spreads, or receive less favorable net prices on transactions for the client's portfolio than would otherwise be the case.

### **Trade Aggregation**

DJY typically aggregates trades for multiple accounts. Orders for the same security entered on behalf of more than one client will generally be aggregated (i.e., blocked or bunched) subject to the aggregation being in the best interests of all participating clients. If the order is filled at different prices during the day, the prices are averaged for the day so that all participating accounts receive the same price. If an order has not been filled completely so that there are not enough shares to allocate among all the clients equally, shares will be allocated in good faith, based on the following considerations: amount of cash in the account, existing asset allocation and industry exposure, risk profile, and type of security. All clients participating in each aggregated order shall receive the average price and subject to minimum ticket charges, pay a pro-rata portion of commissions.

DJY's allocation procedure seeks to be fair and equitable to all clients with no particular group or client(s) being favored or disfavored over any other clients.

Accounts for DJY or its employees may be included in a block trade with client accounts.

## **Item 13: Review of Accounts**

---

### **Reviews**

The day-to-day supervision of the portfolios is the responsibility of David J. Yvars, Chief Executive Officer and Chief Compliance Officer. Each investment portfolio is reviewed at least quarterly. Financial planning portfolios are reviewed at least annually. Factors that may trigger more frequent reviews include material market events or changes in a client's personal situation. In addition, each client portfolio is reviewed periodically for compliance with the investment policies, suitability of investments and client investment objectives. David J. Yvars is responsible for overseeing all reviews.

### **Review Triggers**

Other conditions that may trigger a review are changes in market, political or economic conditions, tax laws, new investment information, and changes in a client's own situation.

### **Reporting**

Clients receive monthly statements and periodic confirmations from their broker/dealers, mutual fund companies and/or custodians, as applicable.

### **Financial Planning**

Financial Planning clients will be reviewed as contracted for at the inception of the engagement. Financial Planning clients receive reports as contracted for at the inception of the engagement.

## **Item 14: Client Referrals and Other Compensation**

---

### **Other Compensation**

DJY does not receive any formal economic benefits (other than normal compensation) from any firm or individual for providing investment advice.

### **Compensation – Economic Benefits**

As disclosed in Item 12, DJY may recommend/require that clients establish brokerage accounts with RJFS, a FINRA-registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although DJY may recommend/require that clients establish accounts at RJFS, it is the client's decision to custody assets with DJY. DJY is independently owned and operated and not affiliated with RJFS.

### **Other Compensation – Brokerage Arrangements**

See disclosure in Item 12 regarding compensation, including economic benefits received in connection with giving advice to clients.

### **Compensation – Client Referrals – Solicitation Arrangement**

DJY may enter into written arrangements to pay cash referral fees to individuals or companies (Solicitors) who recommend prospective clients to DJY. In these cases, there will be a written agreement between DJY and the Solicitor, which clearly defines the duties and responsibilities of the solicitor under this arrangement. In addition, each Solicitor is required to provide a written disclosure document, which explains to the prospective client the terms under which the Solicitor is working with DJY and the fact that the Solicitor is being compensated for the referral activities. The Solicitor is also required to furnish a copy of DJY's written disclosure document to the prospective client and obtain a written acknowledgement from the client that both the Solicitor's and DJY's disclosure documents have been received.

## Item 15: Custody

---

### **Custody – Fee Debiting**

DJY has one form of custody. Clients may authorize DJY (in the client agreement) to debit fees directly from the client's account at the broker dealer, bank or other qualified custodian (custodian). Client investment assets will be held with a custodian agreed upon by the client and DJY. The custodian is advised in writing of the limitation of DJY's access to the account. The custodian sends a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of advisory fees paid directly to DJY.

While DJY will assist clients in establishing and maintaining accounts at the custodian, DJY shall have no responsibility or liability with respect to custodial arrangements or the acts, omissions or other conduct of the custodian.

### **Custody – Account Statements**

As described above and in Item 13, clients receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Clients are urged to carefully review such statements and compare such official custodial records to the account statements or other reports that DJY provides. DJY statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities

## Item 16: Investment Discretion

---

### **Discretionary Authority for Trading and Limited Power of Attorney**

Through the investment management agreement, DJY may accept limited power of attorney to act on a discretionary basis on behalf of clients. A limited power of attorney allows DJY to execute trades on behalf of clients.

When such limited powers exist between the DJY and the client, DJY has the authority to determine, without obtaining specific client consent, both the amount and type of securities to be bought to satisfy client account objectives. Additionally, DJY may accept any reasonable limitation or restriction to such authority on the account placed by the client. All limitations and restrictions placed on accounts must be presented to DJY in writing.

However, DJY consults with the client prior to each trade to obtain concurrence if a blanket trading authorization has not been given.

## Item 17: Voting Client Securities

---

### Proxy Voting

DJY acts as a discretionary investment adviser for various clients, including clients governed by the Employee Retirement Income Security Act of 1974 (ERISA).

Upon execution of the Client Agreement, the client elects to:

- Assign the responsibility for voting all proxies solicited by issuers of securities held in the Portfolio to DJY, or
- Retain the responsibility for voting all proxies solicited by issuers of securities held in the Portfolio. Under this option, DJY neither votes proxies for clients, nor provide advice to clients about how to vote proxies. The custodian sends proxies directly to clients for voting.

DJY does not render advice to or take any actions on behalf of clients with respect to any legal proceedings, including bankruptcies and shareholder litigation.

When the responsibility to vote proxies has been assigned to DJY, the firm's utmost concern is that all decisions be made solely in the best interest of the client (and for ERISA accounts, plan beneficiaries and participants, in accordance with the letter and spirit of ERISA). DJY will act in a prudent and diligent manner intended to enhance the economic value of the assets of the client's portfolio.

David J. Yvars, Chief Executive Officer and Chief Compliance Officer is ultimately responsible for ensuring that all proxies received by DJY are voted in a timely manner and in a manner consistent with DJY's determination of the client's best interests. Although many proxy proposals can be voted in accordance with DJY's established guidelines, DJY recognizes that some proposals require special consideration, which may dictate that DJY makes an exception to the guidelines.

Clients may contact David J. Yvars at 914.741.9700 for information about DJY's Proxy policies. Clients may also request information about how DJY voted any proxies on behalf of their account(s).



## Item 18: Financial Information

---

### Financial Condition

DJY has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

DJY is not required to provide a balance sheet; DJY does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance. All accounts are billed quarterly in advance.

## Other Information

---

### **Privacy**

DJY is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, information about transactions between you and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help you meet your personal financial goals.

With your permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom you have established a relationship. You may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person. With your permission, we share a limited amount of information about you with your brokerage firm in order to execute securities transactions on your behalf.

We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver our Privacy Notice to you annually, in writing.

### **Business Continuity Plan**

DJY has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people. The Business Continuity Plan covers natural and man-made disasters. Electronic files are backed up daily and archived offsite.

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. DJY's intention is to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

This page is intentionally left blank.

**The David J. Yvars Group, Inc.**  
**Form ADV Part 2B**  
**Investment Adviser Brochure Supplement**

**Supervisor: David J. Yvars**

**Supervisor of:**  
Mary Jo Nardone  
Joseph D. Lee  
David J. Yvars, Jr.

**February 2011**

This brochure supplement provides information about the Firm's Supervised Persons that supplements the David J. Yvars Group, Inc.'s brochure. You should have received a copy of that brochure. Please contact David J. Yvars, Chief Executive Officer and Chief Compliance Officer, if you did not receive The David J. Yvars Group, Inc.'s brochure or if you have any questions about the contents of this supplement.

Additional information about the Firm's Supervised Persons is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

400 Columbus Avenue  
Diamond Corporate Park  
Valhalla, NY 10595  
914.741.9700  
[David.Yvars@RaymondJames.com](mailto:David.Yvars@RaymondJames.com)  
[www.yvarsgroup.com](http://www.yvarsgroup.com)

## Educational Background and Business Experience

---

### Education and Business Background

DJY requires that advisers in its employ have a bachelor's degree and further coursework demonstrating knowledge of financial planning and tax planning. Examples of acceptable coursework include: an MBA, a CFP®, a CFA, a ChFC, JD, CTFA, EA or CPA. Additionally, advisers must have work experience that demonstrates their aptitude for financial planning and investment management.

### Supervised Persons

**David J. Yvars**

**Born 1959**

#### Business Background:

David J. Yvars Group, Inc. Chief Executive Officer, Senior Portfolio Manager and Chief Compliance Officer	2004 – Present
--	----------------

UBS Financial Services Senior Portfolio Manager	2001 – 2004
--	-------------

Salomon Smith Barney Senior Portfolio Management / Director	1981 – 2001
--	-------------

#### Education Background:

University of Tampa	BS Business Management
---------------------	------------------------

**Mary Jo Nardone**

**Born 1973**

#### Business Background:

David J. Yvars Group, Inc. Chief Financial Officer	2004 – Present
---	----------------

UBS Financial Services Senior Registered Client Service Associate	1996 – 2004
--	-------------

#### Education Background:

Iona College	BS Business Administration
--------------	----------------------------

**Joseph D. Lee**

**Born 1979**

#### Business Background:

David J. Yvars Group, Inc. Vice President and Financial Advisor	2004 – Present
--	----------------

UBS Financial Services Financial Advisor	2001 – 2004
---	-------------

New York Yankees Clubhouse Attendant	1995 – Present
---	----------------

**Education Background:**

Fordham University	BS Finance
--------------------	------------

***David J. Yvars, Jr.***

***Born 1987***

**Business Background:**

David J. Yvars Group, Inc. Chief Operating Officer and Financial Advisor	2007 – Present
---	----------------

**Education Background:**

Rutgers University	BS Finance
--------------------	------------

## Disciplinary Information

---

### Disciplinary Information

Neither DJY nor any Supervised Persons have been involved in any activities resulting in a material or legal disciplinary disclosure.

## Other Business Activities

---

### Other Business Activities

Disclosure on Outside Business Activities is provided in Form ADV Part 2A Item 10 – Other Financial Industry Activities and Affiliations above. These Outside Business Activities do not create a material conflict of interest with clients.

As disclosed in Form ADV Part 2A Item 5 – Fees and Compensation, neither DJY nor any Supervised Persons receive commissions, bonuses or other compensation based on the sale of securities or other investment products.



## **Additional Compensation**

---

No Supervised Person receives any formal economic benefit outside of regular salaries or bonuses related to amount of sales, client referrals or new accounts.

## Supervision

---

### Supervision

David J. Yvars, Chief Executive Officer and Chief Compliance Officer, supervises all persons named in this Form ADV Part 2B Investment Adviser Brochure Supplement. David J. Yvars supervises these persons by holding regular staff, investment and other ad hoc meetings. In addition, David J. Yvars regularly reviews client reports, emails, and trading, as well as employees' personal securities transaction and holdings reports. David J. Yvars may be reached at 914.741.9700.