

# Hynes Himmelreich Glennon & Company, LLC

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*This disclosure brochure provides clients with information about the qualifications and business practices of Hynes Himmelreich Glennon & Company, LLC ("HHG"), an independent investment advisory firm registered with the United States Securities and Exchange Commission ("SEC"). It also describes the services HHG provides as well as background information on those individuals who provide investment advisory services on behalf of HHG. Please contact George Stapleton, Chief Operating Officer of HHG, at 203-656-5500 if you have any questions about the contents of this disclosure brochure.*

*The information in this disclosure brochure has not been approved or verified by the SEC or by any state securities authority. Registration with the SEC does not imply that HHG or any individual providing investment advisory services on behalf of HHG possess a certain level of skill or training. Additional information about HHG is available on the investment adviser public disclosure web site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for HHG is 104769.*

## **MATERIAL CHANGES**

The following material changes have occurred since March 26, 2012, the date when Hynes Himmelreich Glennon & Company, LLC last updated this Form ADV Part 2A disclosure statement:

### **Investment Professionals**

Thomas M. Juster and Gerard D. Zopfi, Jr. were added as investment adviser representatives.

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## **ADVISORY BUSINESS**

### **Company**

Hynes Himmelreich Glennon & Company, LLC is a privately-held Connecticut limited liability company that has been providing investment advisory services as an SEC-registered investment adviser since 1986. Throughout this disclosure brochure, the company is referred to as “HHG”.

The principal owners of HHG are Thomas Hynes, David Himmelreich, Philip Glennon and Gerard Zopfi.

### **Investment Professionals**

#### Thomas Hynes

Mr. Hynes received his B.A. degree from Fordham University in 1970 and his J.D. degree from St. John's University School of Law in 1975. Prior to founding Hynes, Himmelreich, Glennon & Company, LLC in 1986, Mr. Hynes was Senior Vice President of The Ayco Corporation. Mr. Hynes is a member of the New York State Bar and is admitted to practice before the U.S. District Court, the U.S. Tax Court and the IRS. Mr. Hynes serves on the Board or as Advisor to a number of private foundations. Mr. Hynes was born in 1947.

#### David Himmelreich

Mr. Himmelreich held the position of Senior Tax Consultant with the predecessor of the accounting firm KPMG prior to the formation of Hynes, Himmelreich, Glennon & Company, LLC in 1986. Mr. Himmelreich earned his B.A. degree in economics at Lafayette College and his J.D. degree at the University of Pittsburgh. Mr. Himmelreich is a member of the Pennsylvania Bar and is admitted to practice before the U.S. District Court, the U.S. Tax Court and the IRS. Mr. Himmelreich provides tax and financial counsel to individuals as well as executives at Pfizer, MeadWestvaco, Alexion Pharmaceuticals, Verizon and other corporations. Mr. Himmelreich is a member of the Investment Advisory Committee for the Treasurer of the State of Connecticut, and is listed in Who's Who in America and Who's Who of American Lawyers. Mr. Himmelreich was born in 1954.

#### Philip Glennon

Mr. Glennon received a B.A. degree from Marist College in 1971. Mr. Glennon earned his J.D. degree from Syracuse University School of Law and an M.S. degree in counseling from the State University of New York - Albany. Mr. Glennon is a member of the New York State Bar and is admitted to practice before the U.S. District Court, the U.S. Tax Court and the IRS. Prior to founding Hynes, Himmelreich, Glennon & Company, LLC in 1986, Mr. Glennon worked for The Ayco Corporation in Albany, NY and Stamford, CT. Mr. Glennon is also a member of the Board of Directors of The Mollie Biggane Melanoma Foundation. Mr. Glennon was born in 1949.

### Gerard Zopfi

Mr. Zopfi is a principal of Hynes, Himmelreich, Glennon & Company, LLC. Mr. Zopfi earned his B.S. degree in Business Administration from Boston College and his J.D. degree from Rutgers University School Of Law. Mr. Zopfi was the President of Zopfi Associates, Ltd. where he provided wealth management services. Prior to founding Zopfi Associates, Ltd., Mr. Zopfi was Assistant Vice President, Financial Counseling at the Bank Of New York and a Financial Counselor at The Ayco Corporation. Mr. Zopfi is a member of the New Jersey State Bar and is admitted to practice before the U.S. Tax Court, the U.S. District Court and the IRS. Mr. Zopfi was born in 1956.

### Paul Papapostolou, CFP®

Mr. Papapostolou is a Managing Director at Hynes, Himmelreich, Glennon & Company, LLC. Prior to joining Hynes, Himmelreich, Glennon & Company, LLC in 2011, he was a Managing Director at Joel Isaacson & Co., LLC. Mr. Papapostolou received his B.S. degree from St. John's University in 1998 and his Certified Financial Planner Certification in 2008. Mr. Papapostolou was born in 1976.

### Thomas M. Juster

Mr. Juster joined Hynes, Himmelreich, Glennon & Co in 2008, and currently serves as an Adviser. Prior to joining the firm he worked as a financial analyst at Wells Fargo in San Francisco. While with Wells Fargo, Mr. Juster managed and provided analytical support for projects focused on M&A and distribution strategy. He has also held various positions at Salesforce.com, Bank of America and Intrawest. He received his B.S. in Finance from Appalachian State University's Walker College of Business in 2002. Mr. Juster was born in 1978.

### Gerard D. Zopfi, Jr.

Mr. Zopfi joined Hynes Himmelreich Glennon & Company, LLC in 2009 and currently serves as an adviser. Prior to joining the firm Mr. Zopfi worked for WTAS, LLC in Boston, MA where he was an Associate focused on providing a wide range of tax, valuation, financial advisory and related consulting services. He received his B.S. in Business Administration – Finance from Boston College's Carroll School of Management in 2007. Mr. Zopfi was born in 1985.

## **Services**

HHG provides Investment Management Services.

Investment Management Services may include, financial planning consisting of giving advice regarding estate planning, tax planning and, if desired, tax preparation as well as the target composition of the client's portfolio. HHG's

objective is the efficient integration of these elements into a coherent and effective financial plan for its clients.

HHG normally gathers required information through personal interviews. Information gathered includes a client's current financial status, future goals and attitudes towards risk. Related documents supplied by the client are reviewed, usually including a questionnaire completed by the client

Based on discussions between the client and HHG, HHG will prepare an investment policy statement that summarizes the client's investment objectives and risk appetite. The investment policy statement will contain HHG's recommendation as to how much of a client's portfolio should be invested in stocks, fixed income (including cash), and other opportunities.

In accordance with the client's investment policy statement, HHG will create and execute an investment plan employing the appropriate investment vehicle(s) to implement the agreed upon strategy. Each investment vehicle selected is intended to implement a specific investment strategy and philosophy that individually, or combined with other investment vehicles, should serve to meet the client's asset allocation decisions and advance the client's investment objectives.

HHG invests almost exclusively through mutual funds, separately managed accounts, closed-end funds and, less frequently, through hedge funds. HHG may also employ so-called "covered" option positions in client portfolios, meaning that options are used as an overlay on an existing equity or equity fund position in the same account. Covered options can reduce the risk of an equity or equity fund position. The purchase and sale of individual securities represents a small fraction of HHG's overall asset allocation strategy and primarily consists of ETFs and bonds structured as bond ladders.

### **Additional Information**

Often the same investment manager's strategy is offered in several formats: retail mutual fund, institutional class mutual fund and/or as a separately managed account. A separately managed account is an investment portfolio of stocks, bonds, cash, and/or other individual securities managed by a professional money manager. These separate account managers are independent money managers and may either be registered investment advisers or firms that are not required to register with federal or state securities authorities.

At HHG, if there is both a retail and an institutional class of the same fund available to us we will place the client into the institutional class of that fund because the fees charged to holders of institutional class shares are lower than those for retail class shares. HHG does not receive any portion of the mutual fund or separate account fund manager's fee as these are paid directly by the client to the fund managers. All savings resulting from providing access to an institutional class mutual fund are passed completely on to the client.

Separate accounts normally require a higher minimum investment (often \$250,000 or more) than would be appropriate for some clients. However, if the client's objectives and total investable assets make the separately managed account an option, there are usually two advantages. The first is that the "all in" expense is normally lower for a separately managed account when compared to the institutional or retail class mutual fund alternative. The second is that because the client owns the individual securities in their separately managed account directly (and not simply shares in a mutual fund), they have control over tax-directed buying and selling of those securities.

### 3<sup>rd</sup> Party Research & Consulting Services

In addition to the work of its own staff, HHG may draw on the expertise of other companies to fulfill its obligations in selecting, monitoring and otherwise determining the suitability of the investment managers HHG recommends. We work with these consultants and research firms to construct a list of independent money managers to meet the specific needs of HHG's clients. Depending on the specific consultant, these services may include some or all of the following:

- Investment Management Research and Due Diligence;
- Asset Allocation Consultation;
- Separate Account Manager Selection;
- Research Reports; and
- Execution

At the current time we purchase research and consulting services from several different firms. In all but one case we compensate those firms directly in that they send us a periodic bill for services and HHG, as a firm, pays for those services. Such charges are covered under our Investment Management Fee as agreed to with the client. One of our consultants (Greenrock Research, Inc.) is compensated directly by our clients who choose to employ separate account managers for some or all of their assets. In these cases the research fee shows up as a separate line item on the account statement that the client receives from the custodian alongside the separate account manager's fee and HHG's fee. The reason for this arrangement is that this consultant, in addition to providing some or all of the services listed above, has negotiated access to these separate account managers at lower minimums and/or lower "all in" cost than could otherwise be achieved.

### Discretion

HHG's Investment Management Services will be provided primarily on a discretionary basis but on a case-by-case basis management on a non-discretionary basis can be arranged. For accounts managed on a discretionary basis, the client gives HHG full authority to manage the client's assets in accordance with what HHG deems to be in the client's best interest based on the client's investment policy statement.



## Assets Under Management

As of December 31, 2011 the total amount of client assets managed by HHG is approximately \$1,000,000,000. Of this total amount, approximately 92% of client assets are managed on a discretionary basis and 8% of client assets are managed on a non-discretionary basis.

## FEES AND COMPENSATION

### Investment Management Services Fees

The annual fee for Investment Management Services will be charged as a percentage of assets under management according to the following schedule:

Assets Under Management	Maximum Annual Fee (%)
First \$5 million	1.00%
Next \$5 million	0.75%
Next \$5 million	0.65%
Amounts over \$15 million	0.55%

Accounts of \$1,000,000 or less will be charged a fixed fee of \$10,000.

Investment Management Services fees are billed quarterly in advance and are based on the market value of the client's portfolio at the close of business on the last business day of the previous quarter. The initial quarterly fee will be pro-rated and will cover the period from the date the client's account is accepted by HHG through the last business day of the next full quarter.

Investment Management Services fees are typically deducted directly from the client's account. If an account is terminated during a calendar quarter, fees will be adjusted pro rata based upon the number of calendar days in the calendar quarter that the agreement was effective. Details of the investment management fee charged are more fully described in the advisory agreement entered into with each client.

### Important Additional Fee Information

#### Fund Managers Fees & Expenses

As mentioned previously, each investment vehicle that HHG selects for its clients use has its own management fee and expenses which HHG's clients pay directly. HHG receives no benefit from the managers selected and in many cases HHG's clients benefit from access to the institutional class instead of a retail class of the fund or access to separately managed accounts at a minimum investment amount well below what they could achieve if they worked directly with the mutual fund or separately managed account manager.

All fees paid to HHG for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to our clients who are their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and possible other fees.

The actual management fees may be higher or lower for specific independent money managers employing similar strategies. Exact fee information will be discussed between the client and their HHG advisor at the client's request. Clients will also receive a copy of each separately managed account manager's Form ADV Part 2 directly from such account manager.

A client could invest in a mutual fund or separately managed account directly, without the services of HHG. In that case, the client would not receive the services provided by HHG which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. In addition the investment minimums and all in cost for the funds management would almost always be higher for the client.

#### Outside Consultants

All fees paid to HHG for investment advisory services are separate and distinct from the fees and expenses charged by outside consultants.

As stated above, Greenrock Research, Inc.'s fees are specific to that client's separate account holdings and are charged directly to, and deducted from, the client's account maintained by the custodian upon debit instructions to the custodian, as authorized by the client in the engagement letter. The client, not the custodian, is responsible for confirming the accuracy of the fee calculation.

#### Trading and Other Costs

All fees paid to HHG for investment advisory services are separate and distinct from transaction fees charged by the custodian or its broker-dealers associated with the purchase and sale of securities, mutual funds etc.

In addition, fees do not include the services of any co-fiduciaries, accountants, broker-dealers or attorneys. HHG will not engage the services of outside professionals for a client's account without first discussing the matter with the client. Please see the section entitled "Brokerage Practices" on page 10 of this disclosure brochure for additional information on brokerage and other transaction costs.

#### Fee Only

HHG is compensated solely by fees paid by its clients. As a fee-only investment advisor, HHG does not receive compensation from a brokerage firm, a mutual fund company, an insurance company, or from any sources other than its clients. This

means that HHG has a fiduciary duty to choose investments that are in its clients' best interests.

HHG does not sell insurance nor do we have an affiliation with any insurance broker.

#### Fees Negotiable

HHG retains the right to modify fees, including minimum account sizes and minimum annual fees, in its sole and absolute discretion, on a client-by-client basis based on the size, complexity and nature of the advisory services provided.

#### Direct Debiting of Client Accounts

In order for HHG's advisory fees to be directly debited from a client's account, the client must provide written authorization permitting HHG to bill the custodian. In addition, the account must be held by a qualified custodian and the qualified custodian must agree to send to the client an account statement on at least a quarterly basis. The account statement must indicate all amounts disbursed from the account including the amount of advisory fees paid directly to HHG. Clients are informed that it is their responsibility to verify the accuracy of the fee calculation and that the account custodian will not determine whether the fee is properly calculated.

#### Termination of Client Relationship

A client agreement may be canceled at any time, by either party, for any reason upon receipt of written notice subject to the terms of the investment management agreement. A client may at any time, upon delivery of written notice to HHG, immediately terminate the discretionary authority of HHG. Upon termination of any account, any earned, unpaid fees will be due and payable and any prepaid fees will be refunded at the client's request within thirty (30) days of the termination of the agreement. Refunds will be paid by check and mailed to the client within 30 days of account termination.

Upon termination of an investment management account, HHG or another authorized agent of HHG, will promptly provide written notice to all affected independent money managers (i.e., those that are then providing services on behalf of the client of HHG). Where an independent money managers is involved, the client relationship with HHG shall be deemed terminated effective on the date the last affected independent money manager receives notice from HHG or an authorized agent of HHG. The unearned portion of all prepaid fees (including, without limitation, Greenrock's fees and fees of the independent money manager) can be refunded at the client's request, with the amount of the refund calculated as per the investment management agreement.

HHG is authorized to charge the client advisory fees for up to thirty (30) days after account termination as reasonable compensation for the orderly winding up of the client's account.

## **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

HHG does not accept performance-based fees (e.g., fees based on a share of capital gains on or capital appreciated of the assets in a client's account).

## **TYPES OF CLIENTS**

HHG provides investment advisory services to individuals (primarily high net worth individuals), pension and profit sharing plans, trusts, estates, foundations and charitable organizations.

## **Engaging the Services of HHG**

All clients wishing to engage HHG for investment advisory services must first speak with one of HHG's advisers to determine mutual compatibility, provide background information and normally complete a questionnaire. Clients will then execute the applicable Agreement as well as any other documents provided by HHG. The Agreement describes the services and responsibilities of HHG to the client. It also outlines HHG's fee in detail. In addition, clients must complete certain broker-dealer/custodial documentation such as account applications. Upon completion of these documents and the funding of the client's account(s), HHG will be considered engaged by the client. Clients are responsible for ensuring that HHG is informed in a timely manner of changes in investment objectives and risk tolerance.

## **Conditions for Managing Accounts**

HHG does not require a minimum dollar value for accounts under management. HHG does, however, require a minimum annual fee of \$10,000 for investment management services.

## **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **Types of Investments**

For information on the types of investments made by HHG, please see the discussion in the Section entitled "Services" on page 2 of this disclosure brochure.

### **Investment Strategies**

HHG employs a variety of investment strategies in order to assemble a portfolio for the client that we believe has the best chance of meeting the client's goals and objectives as expressed in their IPS.

## Security Analysis

The security analysis methods employed by HHG and its outside consultants are fundamental and technical analysis.

## Sources of Information

In conducting security analysis, HHG relies on direct briefings from the various account managers we use either via face-to-face meetings, conference calls or their presentations at corporate events. We also may utilize the following sources of information: financial information services either online or in newspapers and magazines, research materials prepared by others, annual reports, prospectuses and filings with the U.S. Securities and Exchange Commission. In addition, HHG uses outside consultants as referred to in the Section entitled "Important Additional Fee Information" on page 5 for asset class, mutual fund and separate account manager research.

## Risk

### In General

Investing in securities involves certain risks that each client should be prepared to bear, including the loss of principal. Typical investment risks include market risk typified by a drop in a security's price due to a company specific event (e.g. unsystematic risk), or general market activity (e.g., systematic risk). In addition, certain strategies may impose more risk than others. For example, with fixed income securities, a period of rising interest rates could erode the value of bonds since bond values generally fall as interest rates and bond yields rise. Investment risk with international equities also includes fluctuation in currency values, differences in accounting and economic and political instability.

### Hedge Funds

Private investment funds (commonly known as alternative investments or hedge funds) generally involve various risk factors and liquidity constraints, a complete discussion of which is set forth in the fund's offering documents, which will be provided to each investor for review and consideration. Each prospective investor will be required to execute a subscription agreement, pursuant to which the investor shall establish that they are qualified for investment in the limited partnership, and acknowledges and accepts the various risk factors that are associated with such an investment including the loss of principal.

### Covered Calls/Options

HHG uses "covered calls", in which HHG sells an option on a security the client owns. In this strategy, the client receives a premium for making the option available, and the person purchasing the option has the right to buy the security from the client at an agreed-upon price. A risk of covered calls is that the option buyer does not have to exercise the option, so that if HHG wants to sell the stock

prior to the end of the option agreement, HHG has to buy the option back from the option buyer, for a possible loss.

## **Cash Management**

HHG considers cash as part of a fixed income portfolio and a strategic choice. HHG will primarily use money market funds when holding cash in a client's account.

## **DISCIPLINARY HISTORY**

Neither HHG nor any of its employees have ever been disciplined by a regulatory agency.

## **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Thomas Hynes, in his individual capacity, is a general partner of Manhattan Atlantic Partners II. In addition, Mr. Hynes is a member of both Manhattan Atlantic Partners III LLC (the general partner of Manhattan Atlantic Partners III L.P.) and Manhattan Atlantic Partners IV, LLC (the general partner of Manhattan Atlantic Partners IV, L.P.)

HHG plays no role in management of these funds and receives no fees or compensation for a client's investment in any of the partnerships discussed herein. Fees paid by the participants invested in the funds are paid directly to the general partners. Only qualified clients are invited to participate in limited partnerships, based on appropriateness of the investment. At this time, there are no anticipated new partnerships in which clients will be invited to participate.

## **CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **Code of Ethics**

HHG has adopted a Code of Ethics to prevent violations of federal securities laws. The Code of Ethics is predicated on the principle that HHG and its employees owe a fiduciary duty to its clients. Accordingly, HHG expects all employees to act with honesty, integrity and professionalism and to adhere to federal securities laws. HHG and its employees are required to adhere to the Code of Ethics. At all times, HHG and its employees must:

- i. place client interests ahead of HHG's;
- ii. engage in personal investing that is in full compliance with HHG's Code of Ethics; and

- iii. avoid taking advantage of their position.

Clients and prospective clients may request a copy of HHG's Code of Ethics by contacting George Stapleton, Chief Operating Officer of HHG, at 203-656-5500.

### **Prohibition on Use of Insider Information**

HHG has also adopted policies and procedures to prevent the misuse of "insider" information. For a copy of HHG's Insider Trading policies and procedures, please contact George Stapleton, Chief Operating Officer of HHG, at 203-656-5500.

## **BROKERAGE PRACTICES**

As a fee-only adviser, HHG does not receive any transaction fees or commissions paid by or to the broker-dealer or custodian and does not receive any fees or commissions for the opening or maintenance of client accounts at recommended custodians or their broker-dealer. HHG passes on to its clients 100% of any discounts from normal trading charges that the custodians and their broker-dealers award to HHG.

### **Broker Selection**

#### Best Execution

Best execution has been defined by the SEC as the "execution of securities transactions for clients in such a manner that the client's total cost or proceeds in each transaction is the most favorable under the circumstances." The best execution responsibility applies to the circumstances of each particular transaction and an investment adviser must consider the full range and quality of a broker-dealer's services, including, among other things, execution capability, commission rates, the value of any research, financial responsibility and responsiveness.

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 HHG will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions.

#### Broker Analysis

HHG evaluates a wide range of criteria in seeking the most favorable price and market for the execution of transactions. These include the broker-dealer's trading costs, efficiency of execution and error resolution, financial strength and stability, capability, positioning and distribution capabilities, information in regard to the availability of securities, trading patterns, statistical or factual information, opinion pertaining to trading and prior performance in serving HHG.

Also in consideration is such broker-dealers' provision or payment of the costs of research and other investment management-related services (the provisional payment of such costs by brokers are referred to as payment made by "soft dollars", as further discussed in the "Research/Soft Dollars Benefits" section immediately below). Accordingly, if HHG determines in good faith that the amount of trading costs charged by a broker-dealer is reasonable in relation to the value of the brokerage and research or investment management-related services provided by such broker, the client may pay trading costs to such broker in an amount greater than the amount another broker might charge.

HHG's portfolio managers are responsible for continuously monitoring and evaluating the performance and execution capabilities of brokers that transact orders for our client accounts to ensure consistent quality executions. In addition, HHG annually reviews its transaction costs in light of current market circumstances and other relevant information.

#### Research/Soft Dollar Benefits

HHG utilizes the services of multiple custodians and their affiliated broker-dealers, including Fidelity Investments Institutional Brokerage Group ("Fidelity") and Charles Schwab & Co., Inc. Institutional Services Group ("Schwab"). While there is no direct linkage between the investment advice given to clients and HHG's use of these broker-dealers, economic benefits are received by HHG (e.g., benefits that HHG does not pay for), which would not otherwise be received if HHG did not select those custodians to handle their client's accounts. While HHG is not affiliated with these custodians and their broker-dealers, they may provide HHG with access to its institutional trading and operations services, which are typically not available to retail investors and directly benefit HHG's clients. These services may include research, brokerage, custody, and client access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment again, directly benefiting HHG's clients.

These broker-dealers may also make available to HHG other products and services that benefit HHG, but may not directly benefit its clients' accounts. Some of these other products and services assist HHG in managing and administering clients' accounts. These include software and other technology that provides access to client account data (such as trade confirmations and account statements), facilitates trade execution (and allocation of aggregated trade orders for multiple client accounts), provides research, pricing information and other market data, facilitates payment of HHG's fees from its clients' accounts, and assists with back-office support, record keeping and client reporting. Many of these services generally may be used to service all or a substantial number of HHG's accounts, including accounts not maintained at the specific broker-dealer that is offering this particular service. These broker-dealers also provide HHG with other services intended to help HHG manage and further develop its business enterprise. These services may include consulting, publications, conferences and presentations on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, these broker-dealers may make available, arrange and/or pay for these



types of services to HHG by independent third parties. These broker-dealers may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to HHG.

While as a fiduciary HHG endeavors to act in its clients' best interests, HHG's recommendation that clients maintain their assets in accounts with Fidelity or Schwab may be based in part on the benefit to HHG of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage provided by these broker-dealers which may create a conflict of interest.

George Stapleton, HHG's Chief Operating Officer, remains available to address any questions that a client or prospective may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.

### **Directed Brokerage**

Certain clients may direct HHG to use particular brokers for executing transactions in their accounts. With regard to client directed brokerage, HHG is required to disclose that HHG may be unable to negotiate commissions, block or batch orders or otherwise achieve the benefits described above, including best execution. Directed brokerage commission rates may be higher than the rates HHG might pay for transactions in non-directed accounts. Therefore, directing brokerage may cost clients more money.

As a general rule, HHG encourages each client to compare the possible costs or disadvantages of directed brokerage against the value of custodial or other services provided by the broker to the client in exchange for the directed brokerage designation.

### **Trade Aggregation/Allocation**

Clients will need to look to the policies of each independent money manager to determine their policies and procedures for trade aggregation and allocation.

### **Trade Errors**

Trade errors made by HHG or the custodian are promptly reported to the custodian and will be rectified by the custodian with no adverse financial effect on the client. In the event of an error by the client, HHG will attempt to mitigate the impact of the error on the client's account.

## REVIEW OF ACCOUNTS

### Reviews

HHG account managers are available by telephone or in person to meet with clients at the client's request. As part of these consultations, the account manager will review the current investment allocation of the accounts as well as the continued appropriateness of that allocation. These consultations also provide an opportunity for the account manager to review changes in the client's personal circumstances, as well as changes in the financial markets that might affect how the manager allocates and invests the client's account.

Client accounts are reviewed as to overall performance on a quarterly basis by the account manager. Account performance and asset allocation is also reviewed on a quarterly basis by the account manager through a review of the quarterly report mailed to HHG's clients.

### Reports

Every month, the client receives an account statement delivered directly by the custodian except in the case of some hedge funds which report quarterly. Each quarter, HHG also provides a performance report. These performance reports include quarter and year-to-date performance at a sector/asset class level. Clients are urged to compare the account statement provided by the broker-dealer/custodian with any statements provided by HHG.

## CLIENT REFERRALS AND OTHER COMPENSATION

HHG primarily attracts new clients via direct referrals from existing clients and occasionally from other professionals such as lawyers. HHG does not provide any form of compensation for such referrals. HHG does not retain solicitors to refer clients to HHG.

## CUSTODY

Custody of client assets will be maintained in almost all cases with Schwab or Fidelity. HHG will not have physical custody of any assets in the client's account, except for cases where an HHG adviser serves as Trustee on a client account which we will discuss below under Trust Accounts. Clients will be solely responsible for paying all fees or charges of the custodian. Clients will authorize HHG to give the custodian instructions for the purchase, sale, conversion, redemption, exchange or retention of any security, cash or cash equivalent or other investment for the client's account.

Clients will receive directly from the custodian a monthly statement showing all transactions occurring in the client's account during the period covered by the account statement, and the funds, securities and other property in the client's

account at the end of the period. Certain hedge funds and their custodians will provide their reports on a quarterly basis. Clients are urged to carefully review the account statement sent by the broker-dealer/custodian and to compare the account statement provided by the broker-dealer/custodian with any statements provided by HHG.

### Trust Accounts

As mentioned above, when an HHG adviser serves as Trustee on a client account HHG is considered to have custody of those client funds and securities in the trust. In addition, for those accounts where an HHG adviser also serves as a Trustee for a client account, HHG undergoes an annual surprise examination by an independent public accountant to verify client assets.

For all HHG client accounts, including those for which an HHG advisor serves as Trustee, all funds and securities are maintained with a qualified custodian, and that custodian sends monthly account statements directly to the account holders.

## **INVESTMENT DISCRETION**

As mentioned previously, HHG normally has full discretion over the client accounts that it manages. In order to properly exercise this discretion HHG requests that it be provided with written authority (e.g., limited power of attorney contained in HHG's Investment Management Agreement) to determine the size and type of investments being made. Any limitations on this discretionary authority shall be included in this written authority statement. Clients may change or amend these limitations as required. All such amendments must be submitted in writing.

## **VOTING CLIENT SECURITIES**

### **Proxy Voting**

HHG does not vote client proxies. The only exception is when an HHG adviser is serving as Trustee for a client account and then that adviser acting as Trustee would vote the proxy. Therefore, although HHG may provide investment advisory services relative to client investment assets, HHG clients (except those noted above) maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. HHG and/ or the client shall correspondingly instruct each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets. The Client's advisor at HHG is available for consultation on all such proxy voting matters. Any questions regarding HHG's proxy voting policy or how a client can obtain guidance on how to vote a specific proxy should be directed to George Stapleton, Chief Compliance Officer of HHG, at 203-656-5500.

## **Class Action Settlements**

HHG will typically not be responsible for handling client claims in class action lawsuits or similar settlements involving securities owned by the client. HHG will however, on occasion and if certain materiality criteria is satisfied, assist clients with the filing of class action lawsuits. The client's HHG advisor is available for consultation on questions regarding class action issues.

## **FINANCIAL INFORMATION**

### **Prepayment of Fees**

HHG is not required include a balance sheet with this disclosure brochure because HHG does not accept prepayment of fees for periods greater than 6 months.

### **Financial Condition**

HHG does not have any adverse financial conditions to disclose.

### **Bankruptcy**

HHG has never been the subject of a bankruptcy petition.

## **PRIVACY NOTICE**

HHG views protecting its clients' private information as a top priority and has instituted policies and procedures to ensure that client information is private and secure. HHG does not disclose any nonpublic personal information about its clients or former clients to any nonaffiliated third parties, except as permitted or required by law. In the course of servicing a client's account, HHG may share some information with its service providers, such as transfer agents, custodians, broker-dealers, accountants, and lawyers, etc. HHG restricts internal access to nonpublic personal information about the client to those persons who need access to that information in order to provide services to the client and to perform administrative functions for HHG. As emphasized above, it has always been and will always be HHG's policy never to sell information about current or former clients or their accounts to anyone. It is also HHG's policy not to share information unless required to process a transaction, at the request of a client, or as required by law. For the full text of HHG's Privacy Policy, please contact George Stapleton, Chief Operating Officer of HHG, at 203-656-5500.

## **CLIENT COMPLAINTS**

Clients may contact George Stapleton, Chief Operating Officer of HHG, at 203-656-5500 to submit a complaint. Written complaints should be sent to Hynes

Himmelreich Glennon & Company, LLC, 23 Old Kings Highway South, P.O. Box 4004, Darien, CT 06820-4004.