

**Item 1 – Cover Page**

**Resnick Investment Advisors, LLC**  
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**Westport CT 06880**  
**203 226.8262**  
**[www@resnickinvestment.com](mailto:www@resnickinvestment.com)**

**April 15, 2012**

This Brochure provides information about the qualifications and business practices of Resnick Investment Advisors, LLC (Resnick). If you have any questions about the contents of this Brochure, please contact us at 203.226.8262 and/or [info@resnickinvestment.com](mailto:info@resnickinvestment.com).

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the SEC) or by any state securities authority.

Resnick is a registered investment adviser. Registration of an investment adviser does not imply a certain level of skill or training.

Additional information about Resnick is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as the SEC File number. The SEC File number for Resnick is 801-48564.

## Item 2 – Material Changes

On July 28, 2010, the SEC published “Amendments to Form ADV” which specifies the disclosure document that Resnick provides to clients as required by SEC Rules. This Brochure dated April 15, 2012 is a document prepared according to the SEC’s rules.

Item 2 discusses specific material changes that are made to this Brochure, if any exist, and provides clients with a summary of those changes. **The lone material change made to this Brochure dated April 15, 2012 from its immediate predecessor dated March 15, 2012 has been a change of Resnick’s address from 518 Riverside Avenue, Westport, CT, 06880 to 20 Ketchum Street, Westport, CT, 06880.**

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 material 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.

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

Currently, our Brochure may be requested by contacting our office at 203.226.8262 and/or [info@resnickinvestment.com](mailto:info@resnickinvestment.com). Our Brochure is also available on our web site [www.resnickinvestment.com](http://www.resnickinvestment.com). All requests are free of charge.

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## **Item 4 – Advisory Business**

Resnick has been part of the Focus Financial Partners, LLC (“Focus”) network since 2006 and has been providing advisory services since 1990. Resnick is a wholly-owned subsidiary of Focus Operating, LLC, which is a wholly-owned subsidiary of Focus Financial Partners, LLC (“Focus”).

As of December 31, 2011, Resnick managed \$665,600,000.00 on a discretionary basis and \$3,400,000.00 on a non-discretionary basis.

### **Investment Supervisory Services**

Clients employ Resnick as an investment advisor for specific portfolios or investment accounts. Based on the individual needs of the client, Resnick provides continual advice and management regarding investment of client funds. Resnick will manage advisory accounts on a discretionary or non-discretionary basis.

A client financial profile is developed to determine appropriate investments, investment time-frames, and levels of risk. The profile is developed as follows:

1. Gather client information.
2. Consult with client to determine goals and objectives.
3. Review basic financial data which may include overviews of assets and liabilities, cash flow, tax situation, short-term events, long-term goals, risk management, and estate structures.
4. Identify the need for additional professional advice re: legal, tax, etc.

Clients may reasonably restrict Resnick’s discretionary authority, including specific securities or the types of securities in which Resnick may invest.

### **Financial Advisory Consultation Services**

Occasionally, clients request consultation services in the areas of insurance, taxation, and general or overall financial management. In these instances, the specific services are agreed upon beforehand. An engagement letter is written specifying the exact nature of the services and the estimated hours of services.

### **General Information on Services**

A client agreement may be canceled at any time, by either party, for any reason upon receipt of prior written notice.

## **Item 5 – Fees and Compensation**

### **Investment Supervisory Fees**

Managed portfolio services are fee-based, and clients are engaged under a specific contract for services. These contracts may be terminated by the client without penalty by giving written notice of termination within five business days. After the five-day period, clients may terminate the agreement at any time with written notice, and fees due will be pro-rated to the date of termination.

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

<b>ASSETS UNDER MANAGEMENT</b>	<b>ANNUAL FEE*</b>
On amounts up to \$500,000	1.35%
On amounts from \$500,000 to \$1 Million	1.10%
On amounts from \$1 Million to \$2 Million	0.80%
On amounts from \$2 Million to \$5 Million	0.60%
On amounts over \$5 Million	0.50%

\* The fees are billed quarterly, in arrears, at the end of each quarterly cycle, based upon the value (market value or fair market value in the absence of market value), of the client's account at the end of the quarter.

Resnick's policy is that all client portfolios and investments, as best as possible, reflect current, fair, and accurate market valuations. Resnick will rely upon prices passed to us from the custodian at which assets are held. In the event that no custodian exists, such as may be the case for private equity or other alternative investments, Resnick will rely upon the price provided by the LLC, LLP, or other entity that is the source of the asset.

### **Financial Advisory Consultation Fees**

Fees are billed at the rate of \$300 per hour. Clients may terminate consulting services within five days after receipt of the engagement letter without penalty. These consulting fees are non-negotiable, non-refundable after the five-day grace period, and payable in full upon completion.

### **General Information on Fees**

In certain circumstances, all of Resnick's fees may be negotiable.

Upon termination of any account, any prepaid, unearned fees will be promptly refunded. The client has the right to terminate an agreement without penalty within

five business days after entering into the agreement. In the event of withdrawal of funds or the termination of any account, any fees, commissions or other expenses associated with rebalancing or liquidating the account holdings may be assessed to the client's account.

From time to time, small portions of positions will be sold to bring the cash account balance to the level required for automatic deduction of fees. It is understood that the payment of these fees will reduce the total investment return.

Clients will incur additional transaction costs related to specific investments. Resnick neither receives nor shares in any portion of these costs. In the case of individual stocks, bonds, closed-end and open-end investment companies, options, and the like, there may be costs levied directly by the custodian or clearing broker. The costs may include transaction and redemption fees.

All fees paid to Resnick for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to 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 a possible distribution fee. Resnick believes these costs are inherent in the product structures. However, Resnick strives to select funds with low or competitive expense structures.

Some funds customarily distributed through stockbrokers with commission charges may be purchased by Resnick without commissions. Some funds also offer "Institutional Advisor" classes of shares not customarily available to the general public. These types of shares offer clients internal costs slightly reduced from those of "public" shares. When deemed cost effective, Resnick strives to purchase these lower cost shares, if they are available and comparable to "public" shares. In no instance does Resnick receive any portion of mutual fund fees.

Clients should review both the fees charged by the funds and the fees charged by Resnick to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

All fees are calculated as a percentage of assets under management, and Resnick does not maintain any performance-based fee accounts “side-by-side” with asset-based fee accounts.

Resnick does not charge fees on the basis of income, capital gains, or capital appreciation of the funds or any portion of the funds of an advisory client.

## **Item 7 – Types of Clients**

Resnick provides portfolio management services to individuals, pension and profit-sharing plans, charitable institutions, foundations, endowments, municipalities, trust programs, and other institutions.

Resnick generally requires a minimum account size of \$250,000. Exceptions to the minimum account size may be separately negotiated on a case-by-case basis.

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

Resnick's services are based on long-term investment strategies incorporating the principles of Modern Portfolio Theory. Resnick's investment approach is firmly rooted in the belief that long-term returns are determined more by asset allocation decisions rather than by market timing or stock picking. Resnick recommends diversified portfolios, principally through the use of managed, asset-class mutual funds. Resnick recommends portfolios of securities aimed at implementing this investment strategy.

All investments involve risk. Resnick's investment advice seeks to limit risk through broad diversification among asset classes. Resnick's investment philosophy is designed for investors who desire a buy and hold strategy. Frequent trading of securities increases brokerage and other transaction costs that Resnick's strategy seeks to minimize.

Clients may hold or retain other types of assets as well, and Resnick may offer advice regarding those various assets as part of its services. Advice regarding such assets will generally not involve asset management services but may help to more generally assist the client.

In the development of investment plans for clients, including the recommendation of an appropriate asset allocation, Resnick relies on an analysis of the client's financial objectives, current and estimated future resources, and tolerance for risk.

There are several risks associated with this method, which may result in the client not being able to achieve his or her financial goals. They include:

- The risk that expected future cash flows will not match those used in the analysis
- The risk that future rates of return will fall short of the estimates used in the simulation
- The risk that inflation will exceed the estimates used in the simulation
- For taxable clients, the risk that tax rates will be higher than was assumed in the analysis

## *Risk of Loss*

### **Investing in securities involves risk of loss that clients should be prepared to bear.**

All investments present the risk of loss of principal – the risk that the value of securities (e.g. mutual funds, ETFs, individual bonds), when sold or otherwise disposed of, may be less than the price paid for the securities. Even when the value of the securities when sold is greater than the price paid, there is the risk that the appreciation will be less than inflation. In other words, the purchasing power of the proceeds may be less than the purchasing power of the original investment.

In addition, alternative investments, which are typically structured as limited partnership investments, pose additional risks. Alternative investments (such as investments in a real estate private fund, hedge fund, or other type of alternative investment) may present additional risks due to their complex and private nature and to their relative lack of liquidity. By their nature, investments in privately held companies tend to be riskier than investments in publicly traded companies.

Specific information about the risks of any particular investment can be reviewed in that investment's disclosure documents.

## **Item 9 – Disciplinary Information**

As a registered investment adviser, Resnick is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Resnick or the integrity of Resnick's management. Resnick has no such legal or disciplinary events.

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

### **Focus Operating, LLC and Focus Financial Partners**

Resnick is part of the Focus Financial Partners, LLC ("Focus") network. As described in Item 4 above, Resnick is a wholly-owned subsidiary of Focus Operating, LLC, which is a wholly-owned subsidiary of Focus Financial Partners, LLC (Focus). Focus also owns other registered investment advisers, broker-dealers, pension consultants, insurance firms, and other financial service firms (the Focus Partners).

Resnick's clients are not solicited to invest in any other Focus Partners' advisory services or products, and Focus Partners do not recommend securities, services, or other investment products of Resnick. Further, Resnick and the Focus Partners do not market services or share client information between each other, and management of the other Focus Partners is not involved in the management of Resnick.



A list of the affiliated investment advisers and broker dealers can be found on Resnick's Form ADV Part 1 Schedule D, which is available on the SEC's website, [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Additional information about Focus can be found at [www.focusfinancialpartners.com](http://www.focusfinancialpartners.com).

Certain Investment Adviser Representatives of Resnick, in their individual capacities, are agents for various insurance companies. As such, these individuals, in their separate capacity as insurance agents, have the ability to purchase insurance products for clients, for which they will receive separate, yet customary compensation. Clients, however, are not under any obligation to engage these individuals when considering implementation of insurance transactions. The implementation of any or all insurance products is solely at the discretion of the client.

## **Item 11 – Code of Ethics, Participation in Client Transactions, and Personal Trading**

Resnick has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. Resnick's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients, and sets forth Resnick's practice of monitoring the personal securities transactions of supervised persons with access to client information. Individuals associated with Resnick may buy or sell securities for their personal accounts identical to or different from those recommended to clients. It is the expressed policy of Resnick that no person employed by Resnick shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on the investment decisions of advisory clients.

To supervise compliance with its Code of Ethics, Resnick requires that anyone associated with this advisory practice with access to advisory recommendations provide duplicate brokerage statements to the firm's Chief Compliance Officer. Resnick also requires such access persons to receive approval from the Chief Compliance Officer prior to investing in any private placements (limited offerings).

Resnick requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. Resnick's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. Any individual not in observance of the above may be subject to disciplinary measures.

Resnick will provide, free of charge, a complete copy of its Code of Ethics to any client or prospective client upon request.

## **Item 12 – Brokerage Practices**

Resnick permits clients to direct brokerage, and routinely recommends that clients direct us to execute transactions through broker-dealer Schwab Institutional. Not all advisers require this. When clients direct brokerage in this way:

- Resnick may be unable to achieve best execution of clients' transactions, and this may cost clients more money in brokerage commissions, fees, and other charges.
- Resnick will not have authority to negotiate commissions among various brokers or obtain volume discounts.
- A disparity in commission charges may exist between the commissions charged among clients.

Resnick generally does not aggregate client transactions in mutual funds or other securities. Client accounts are individually reviewed and managed, and transaction costs would not be reduced by aggregating orders under most circumstances in which Resnick arranges transactions.

From time to time Resnick may make an error in submitting a trade order on your behalf. When this occurs, the Firm may place a correcting trade with the broker-dealer which has custody of your account. If an investment gain results from the correcting trade, the gain will remain in your account unless:

- the same error involved other client account(s) that should have received the gain.
- it is not permissible for you to retain the gain.
- we confer with you and you decide to forego the gain (e.g., due to tax reasons).

If the gain does not remain in your account and Charles Schwab & Co. Inc. ("Schwab") is the custodian, Schwab will donate the amount of any gain \$100 and over to charity. If a loss occurs greater than \$100, Resnick will pay for the loss. Schwab will maintain the loss or gain (if such gain is not retained in your account) if it is under \$100 to minimize and offset its administrative time and expense. Generally, if related trade errors result in both gains and losses in your account, they may be netted.

## **Item 13 – Review of Accounts**

Underlying securities within Investment Supervisory Services Accounts are periodically monitored. Accounts are reviewed as to asset allocation, individual holdings, suitability, and performance. Reviews of holdings used for client portfolios are performed by the Investment Policy Committee on at least a monthly basis. The Investment Policy Committee is comprised of Managing Directors Marty Resnick, Joe McBride, and John Fitzgerald. The Committee may invite contributions and enlist the services of the Chief Compliance Officer, Investment Researchers, and Investment

Advisors. For rebalances of many clients accounts over several days, prompted for example by Advisor or IPC directive, the rebalances shall be done, for those clients for whom it is ultimately deemed appropriate, in alphabetical order.

Client information is downloaded each business day, reflecting holdings and prices as of the close of business the previous business day or other most recently priced day. Calculations of asset allocation, individual position weights, total internal rates of return since inception, and annualized internal rates of return are then made available, if not actually executed, each day. Client portfolio data is maintained in-house in a customized, computer database. Transaction records and market pricing is downloaded each business day or as often as is made available. Specific securities common to client portfolios are monitored on an on-going basis.

In addition to the quarterly statements and confirmations of transactions that Investment Supervisory Services clients receive from their broker-dealer, Resnick makes periodic reports available to all clients showing their portfolios' financial profile and performance data. Clients are urged to schedule a face-to-face meeting to review details, wherein comments are provided about progress in achieving goals and consideration of resetting goals. Reports may include a client's original amount invested, cost basis for tax purposes, current value, cumulative income, internal rate of return since inception and annual rate of return for each holding. Weightings by category, and portfolio totals, may be summarized as well.

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

Resnick has solicitation agreements with independent, outside insurance agents, registered investment advisors, and Certified Public Accountants (CPAs). When these agents believe their clients may benefit from Resnick's investment management or financial services, the clients are introduced to Resnick, and the agent shares in a portion of any management fees that may be earned. The agents share between 16.5% and 65% of overall fees charged to clients.

Specifics are disclosed to each client beforehand. Clients introduced in this manner receive the same services and priorities as all other Resnick clients. In accordance with SEC requirements, at the time of their introduction to the firm, potential clients are provided with a copy of this Form ADV Part 2 as well as with a specific disclosure form they are asked to read, discuss with us, and sign to ensure that the nature of our potential association is well understood.

As indicated under the disclosure for Item 12, Resnick generally recommends that clients establish brokerage accounts with the Schwab Institutional (SI) division of Charles Schwab & Co., Inc. SI provides Resnick with access to its institutional trading and operations services, which are typically not available to Schwab retail investors.

These services generally are available to independent investment advisors at no charge to them so long as a total of at least \$10 million of the advisor's clients' account assets are maintained at Schwab Institutional. SI's services include:

- research.
- brokerage.
- custody.
- access to certain mutual funds and other investments.

SI also makes available to Resnick other products and services that benefit Resnick but may not benefit its clients' accounts directly. Some of these other products and services assist Resnick in managing and administering clients' accounts. These include software and other technology that:

- provide access to client account data (such as trade confirmations and account statements).
- facilitate trade execution.
- provide research, pricing information, and other market data.
- facilitate payment of Resnick's fees from its clients' accounts.
- assist with back-office support, recordkeeping, and client reporting.

Many of these services generally may be used to service all or a substantial number of Resnick's accounts, including accounts not maintained at SI. SI may also provide Resnick with other services intended to help Resnick manage and further develop its business enterprise. These services may include consulting, publications, and presentations about:

- practice management.
- information technology.
- business succession.
- regulatory compliance.
- marketing.

In addition, SI may make available, arrange for, or pay for these types of services to Resnick by independent third parties. SI 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 Resnick.

While, as a fiduciary, Resnick endeavors to act in its clients' best interests, Resnick's recommendation that clients maintain their assets in accounts at SI may be based in part on the benefit to Resnick of the availability of some of the foregoing products and services.

## **Item 15 – Custody**

The custody rule under the Investment Advisers Act of 1940 defines custody as "holding, directly or indirectly, client funds or securities, or having any authority to obtain possession of them." The SEC's custody rule sets forth certain requirements for the safekeeping of client assets when an adviser has custody.

Resnick has custody because the firm debits its advisory fees directly from the custodian's account, as agreed in client contracts. Resnick also has custody in certain instances when Resnick or one of its personnel serves as Trustee to a client, or when a client provides password access to his or her accounts for reporting or trading purposes. Resnick states on SEC Form ADV Part 1 that it has custody, and, as required by SEC rules, Resnick is subject to an annual surprise examination by an independent accountant.

Clients will receive at least quarterly statements directly from the client's brokerage firm, or other qualified custodian that holds and maintains client's investment assets. We urge you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you, including the market value and calculation of our advisory fees. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

As an advisory firm with custody, Resnick Investment Advisors, LLC's has written procedures to ensure the safeguarding of client assets.

## **Item 16 – Investment Discretion**

For "discretionary" Investment Supervisory Services clients, Resnick, in its Investment Advisory agreement, requests that it be provided with written authority to determine which securities and the amounts of securities that are bought or sold. Any limitations on this discretionary authority shall be conveyed to Resnick in writing. Clients may, in writing, change or amend these limitations as required.

## **Item 17 – Voting Client Securities**

As a matter of firm policy and practice, Resnick does not have any authority to, and does not in practice, vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Clients will receive applicable proxies directly from the issuer of securities held in clients' investment portfolios.

## **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about their financial condition. Resnick has no financial condition that impairs its ability to meet contractual and fiduciary commitments to clients.