

## **Part 2A of Form ADV**

### **ITEM 1. COVER PAGE**

***Dominick & Dominick LLC***  
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New York, NY 10022  
(212) 558-8800  
<http://www.dominickanddominick.com>

**This brochure provides information about the qualifications and business practices of Dominick & Dominick LLC. If you have any questions about the contents of this brochure, please contact us at (212) 558-8800 or [info@dominickanddominick.com](mailto:info@dominickanddominick.com). 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 Dominick & Dominick LLC also is available on the Securities and Exchange Commission's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**The registration of Dominick & Dominick LLC as a "registered investment adviser" does not imply a certain level of skill or training.**

September 30, 2012

### **ITEM 2. SUMMARY OF MATERIAL CHANGES**

The United States Securities and Exchange Commission requires that we provide to all clients an annual summary of material changes in ADV Part 2A. This summary discusses only specific material changes that we made to this brochure since the brochure dated March 27, 2012

- Amount of regulatory assets under management is approximately \$462,396,145 as of June 30, 2012.
- Under “Executive Officers”, Alex Seiler has become President and Chief Executive Officer of Dominick & Dominick LLC, effective October 1, 2012. The former President and Chief Executive Officer, Michael Campbell, has become the non-executive Chairman of the Board.
- Under “Item 10. Other Financial Industry Activities and Affiliations”, there are additional disclosures regarding the commission-based advisory programs and conflicts of interest. Further, there are disclosures regarding the rebates and other compensation received by the Adviser from its clearing firm..

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## **ITEM 4. ADVISORY BUSINESS**

Dominick & Dominick LLC, founded in 1870, is a federally registered investment adviser and broker-dealer that provides personalized investment advisory services to individuals, pension and profit sharing plans, individual retirement accounts, trusts, estates, charitable organizations and corporations or other business entities on a discretionary and non-discretionary basis in accordance with each of our client's stated investment objectives and policies. Any references in this brochure to "we," "us," "our" or "D&D" refer to Dominick & Dominick LLC.

We provide the following investment advisory services to our clients:

1. two wrap fee programs, including the Portfolio Management Wrap Fee Program and the Independent Advisors Wrap Fee Program;
2. a Fee Plus Commission Program;
3. a Commission Based Advisory Account Program; and
4. a Non-Discretionary Investment Advisory Service Program.

Descriptions of each of our programs are set forth below. You may obtain a copy of the brochure for our Portfolio Management Wrap Fee Program or our Independent Advisors Wrap Fee Program by contacting us at (212) 558-8800 or [info@dominickanddominick.com](mailto:info@dominickanddominick.com) at any time during our normal business hours from 9:00 AM to 5:00 PM Eastern.

### **General Information**

#### ***Assets Under Management***

As of June 30, 2012, D&D had total regulatory assets under management of \$462,396,145 in 504 accounts; which consisted of \$416,370,908 in 376 discretionary accounts and \$46,025,145 in 128 non-discretionary accounts.

#### ***Our Ownership***

Our principal owners are Michael J. Campbell, our non-executive Chairman of the Board, and DM Trust, for which Derby West LLC is the trustee.

## ***Our Executive Officers***

*Alex Seiler* has served as President and Chief Executive Officer since October 1, 2012. Mr. Seiler joined Dominick & Dominick LLC in October, 2011 as Executive Vice President. Mr. Seiler brings over 30 years of securities industry experience, having served as Chief Executive Officer of Merriman Capital, a Director in the Institutional Equity Division of CS First Boston and Managing Director at UBS and Morgan Stanley. Mr. Seiler attended Northeastern University from 1976 to 1977 and Manhattan College from 1972 to 1973.

*Kevin McKay* has served as our General Counsel and Senior Managing Director since 2003. Prior to joining D&D, Mr. McKay was the General Counsel & Executive Vice President of Tucker Anthony Sutro from 1993 to 2002. Mr. McKay was also General Counsel, Senior Vice President of Prudential Securities from 1990-1994. Mr. McKay received a B.S. from University of Bridgeport in 1971 and a J.D. from Fordham Law School in 1974.

*Robert X. Reilly* has served as our Senior Managing Director since 2003. Prior to joining D&D, Mr. Reilly was a Director at Credit Suisse First Boston from 2000 to 2003 and a Senior Vice President at Donaldson, Lufkin Jenrette from 1992 to 2000. Mr. Reilly received a B.A. from Georgetown University in 1990 and an M.B.A. from New York University in 1998.

*Robert M. Hladek* has served as our Director of Compliance since 1991. Mr. Hladek received a B.S. from St. Peters College in 1965.

## ***Investor Profile***

If you choose to become a client of D&D, you will be asked to complete an Investor Profile Questionnaire, which we refer to in this brochure as your “Investor Profile.” The Investor Profile will seek to identify investment objectives for your account based on your goals, financial information, investment experience, age and risk profile. The information contained in your Investor Profile will be reviewed by one of our representatives, which we refer to in this brochure as our “financial advisers.” Your Investor Profile will be utilized by your individual financial adviser to assist you in determining which of our services are right for you. The Investor Profile will be utilized, should you open an account, to guide us in making investment recommendations or decisions for your account. You are responsible for promptly notifying us in writing of any material change in your investment objectives or financial condition.

You can generally impose restrictions on investing in certain securities or types of securities in your account. If you wish to impose any restrictions on your account, please contact your financial adviser.

## **Wrap Fee Programs**

We offer two distinct wrap fee programs including the Portfolio Management Wrap Fee Program, which we refer to in this brochure as the “Portfolio Management Program,” and the Independent Advisors Wrap Fee Program, which we refer to in this brochure as the “Independent Advisors Program.” Pursuant to these wrap fee programs, we offer investment management services to our clients with a range of investment strategies on the basis of an annual, asset-based, all-inclusive fee. Both of our wrap fee programs are available to you.

### ***Portfolio Management Program***

The Portfolio Management Program is a customized investment management service provided and sponsored by us. Pursuant to the Portfolio Management Program, one of our financial advisers will review your Investor Profile and consult with you to identify and evaluate your needs, investment objectives, perceived risk tolerance, and other pertinent investment considerations.

All accounts are managed by us as the investment adviser, and we may have discretionary trading authority with respect to the accounts. You may elect to have your account serviced on a non-discretionary basis for an all-inclusive fee. There is no distinction between our management of the wrap fee programs and the other investment advisory accounts we manage. You will receive a separate Portfolio Management Program brochure prior to participating in the Portfolio Management Program. To participate in the Portfolio Management Program, D&D will require you to enter into a Portfolio Management Services – Discretionary Investment Advisory Agreement (For an Annual Inclusive Fee), which will define the terms of our engagement.

See “Item 5. Fees and Compensation – Wrap Fee Program Fees – Portfolio Management Program Fees” beginning on page 10 for information regarding the fees related to the Portfolio Management Program.

### ***Independent Advisors Program***

We sponsor the Independent Advisors Program. Under the Independent Advisors Program, you would authorize the active discretionary management of your investments by portfolio managers recommended by us and appointed and

designated by you, based on your investment objectives. No portfolio manager is a related person of D&D. We will provide ongoing services relative to the monitoring and review of the appointed and designated portfolio manager, account performance, and asset allocation consistent with your investment objectives, as provided to us through the Investor Profile. A portion of the fees you pay to D&D for this wrap fee program will be paid to your portfolio manager by us. You will receive a separate Independent Advisers Program brochure prior to participating in the Independent Advisers Program. The portfolio manager's rate of return performance is calculated in a manner that is compliant with the Global Investment Performance standard and that disclosure can be found in the portfolio manager's Form ADV.

To participate in the Independent Advisers Program, D&D will require you to enter into an Independent Advisers Program Agreement, which will define the terms of our engagement.

See "Item 5. Fees and Compensation – Wrap Fee Program Fees – Independent Advisers Program Fees" beginning on page 10 for information regarding the fees related to the Independent Advisers Program.

### **Fee Plus Commissions Program**

The Fee Plus Commissions Program is a customized investment management service provided and sponsored by us. Pursuant to the Fee Plus Commissions Program, one of our financial advisers will review your Investor Profile and consult with you to identify and evaluate your needs, investment objectives, perceived risk tolerance, and other pertinent investment considerations.

All Fee Plus Commissions Program accounts are managed by one of our financial advisers, and we will have discretionary trading authority with respect to your accounts. This brochure is the only disclosure document you will receive prior to participating in this program. To participate in this program, D&D will require you to enter into a Fee Plus Commissions Program Discretionary Investment Advisory Agreement, which will define the terms of our engagement.

See "Item 5. Fees and Compensation – Fee Plus Commissions Program Fees" beginning on page 10 for information regarding the fees related to the Fee Plus Commissions Program.



## **Commission Based Advisory Account Program**

The Commission Based Advisory Account Program is a customized investment management service provided and sponsored by us. Pursuant to the Commission Based Advisory Account Program, one of our investment advisers will review your Investor Profile and consult with you to identify and evaluate your needs, investment objectives, perceived risk tolerance, and other pertinent investment considerations.

All Commission Based Advisory Account Program accounts are managed by us as the investment adviser, and we will have discretionary trading authority with respect to your accounts. All fees on this account will be commission based. This brochure is the only disclosure document you will receive prior to participating in this program. Prior to providing any services, you and D&D will enter into a Discretionary Investment Advisory Agreement (Commission Based), which will define the terms of our engagement.

See “Item 5. Fees and Compensation – Commission Based Advisory Account Program Fees” beginning on page 10 for information regarding the fees related to the Commission Based Advisory Account Program.

## **Non-Discretionary Investment Advisory Service Program**

The Non-Discretionary Investment Advisory Service Program is a customized investment management service provided and sponsored by us. Pursuant to our Non-Discretionary Investment Advisory Service Program, one of our financial advisers will review your Investor Profile and consult with you to identify and evaluate your needs, investment objectives, perceived risk tolerance, and other pertinent investment considerations.

We provide investment advice to accounts participating in this program, however, we will not have discretionary trading authority with respect to these accounts. This account will be serviced for an advisory fee. Client may choose to act on the advice through D&D or other brokers, incurring additional transaction charges. This brochure is the only disclosure document you will receive prior to participating in this program. Prior to providing any services, you and D&D will enter into a Portfolio Management Service Non-Discretionary Investment Advisory Agreement (For an Annual Inclusive Fee), which will define the terms of our engagement.

See “Item 5. Fees and Compensation – Non-Discretionary Investment Advisory Service Program Fees” beginning on page 11 for information regarding the fees related to the Non-Discretionary Investment Advisory Service Program.

## **Asset Allocation**

If you are one of our investment advisory clients, we may enter into separate agreements with third party vendors who will design an allocation strategy for you and, with your approval, we will implement that strategy for you under any of the programs described above.

Asset allocation under our investment advisory services may involve:

- the development of model portfolios;
- calculating asset loss weightings, returns and risk levels;
- computing the third party view of optimal mix of investments for alternative investment strategies;
- continuously monitoring and evaluating the impact of alternative strategies; and
- selecting the appropriate asset mix from a range of investment vehicles.
- We may rely on the advice of third party vendors in rendering advice to you and may enlist such third party vendors to assist in designing an allocation strategy for you and implement that strategy in accordance with your investment objectives.

We may rely on the advice of third party vendors in rendering advice to you. The third party vendors may develop their own asset allocation model, which we may consult in designing an allocation strategy for you and implement that strategy in accordance with your investment objectives.

We may offer various types of investments for your account. These investments may include, among other things, equity securities (whether or not listed on an exchange), certain debt securities, commercial paper, equity options, derivatives and, mutual fund shares and United States government securities.

We provide investment advice to certain of our advisory clients on initial public offerings, which we refer to in this brochure as “IPOs.” Only those clients who are not “restricted persons,” within the meaning of the Financial Industry Regulatory Authority, or “FINRA,” Rule 5130, shall be permitted to participate in IPOs within the meaning of such rule. To determine whether you qualify as a “restricted person,” please contact your financial adviser or portfolio manager.

A summary of our allocation procedures for securities in initial public offerings, or “IPO Shares,” is as follows:

If the number of IPO Shares is sufficiently large to give each eligible account a meaningful portion, the IPO Shares may be allocated across all accounts that are eligible to receive such shares. The allocation of IPO Shares may be made pro rata (in round lots only) according to the size of the accounts, adjusted for round lots. We will determine if the number of IPO Shares constitutes a meaningful portion based on all relevant factors, including the aggregate number of IPO Shares, the size of the eligible accounts and the custodian fees and other transaction charges associated with the IPO Shares. If the number of IPO Shares is not sufficiently large to give each eligible account a meaningful portion, the IPO Shares may not be allocated across all the accounts. Allocations may be made to a client in excess of or below the amounts specified herein if a client has a unique or specialized investment objective that emphasizes investments in a particular category of securities and the security being acquired meets that investment objective; or no allocation made if it would result in an account receiving an odd lot.

Many accounts may have similar investment guidelines to one another. A small number of accounts may have investment guidelines that differ from the guidelines of the other accounts and are managed in a different manner. Further, certain IPO Shares may be deemed to be an inappropriate investment (because of the type of investment and size of the available allocation or both) for certain accounts. As a result of these differences, there may be accounts that are eligible or ineligible to receive IPO Shares that are being allocated to other accounts.

We may make exceptions to the standard allocation methods set forth above from time to time in order to distribute IPO Shares among our eligible accounts in a more equitable manner, provided such exceptions are generally applied consistently and fairly across accounts.

D&D will receive compensation as set forth in the prospectus in addition to any compensation specified herein for any IPO shares allocated. This additional compensation is to prevent IPO securities from being sold below the public offering price.

## **Agreements**

Prior to providing any services, you and D&D will enter into an appropriate Investment Advisory Agreement, which will define the terms of our engagement.

Separate and apart from any written agreement entered into between us, we may also enter into written agreements with other financial service providers, such as investment advisers, broker-dealers, and custodians. In addition, we may enter into agreements with affiliated or unaffiliated sub-advisers to assist us in providing general investment advisory services to you. In those instances, we will pay a portion of the fees payable under our agreement with you to the sub-advisers pursuant to a sub-advisory agreement between the applicable sub-adviser and us.

From time to time, we may also provide investment advisory services to a limited number of clients in accordance with the terms and conditions of an individually negotiated written agreement between us and the individual client.

## **ITEM 5. FEES AND COMPENSATION**

As described above, when entering into an investment advisory relationship, we require our clients to sign an agreement which details the fees payable in connection with our advisory relationship.

### **Fees Generally**

Fees will be established in your written agreement with D&D. Fees are generally negotiable at our discretion. Any costs to be passed through to you, such as any fees charged by a third party broker, shall be passed through to you at cost.

In general, if a flat fee is due for any program, the fee will be payable in advance on a quarterly basis based on your account value as of the last day of the prior quarter and will be subject to later adjustment if there are deposits or withdrawals of \$20,000 or more on any day in the quarter.

In the event you open your account in the middle of a quarter, the applicable fee will be charged on a prorated basis to reflect the number of days remaining in the calendar quarter. If you terminate an account with us at any time other than the end of a calendar quarter, fees collected in advance will be prorated based on the actual number of days we managed the account and the balance will be refunded to you.

Unless otherwise agreed to by us, your fees will be deducted from your D&D account.

### **Wrap Fee Program Fees**

### ***Portfolio Management Program Fees***

The wrapped fees for the Portfolio Management Program are set by and paid to us. These fees are all-inclusive. In addition to the advisory fee, SEC and exchange fees will be charged on transactions in your account. The total cost of the services provided through our Portfolio Management Program could be more or less than if such services were purchased separately. The all-inclusive fee is payable in advance on a quarterly basis as described above pursuant to the following schedule:

#### **Portfolio Management Fee Schedule (All Inclusive Fee) Equity and Balanced Accounts**

<b><u>Total Account Value</u></b>	<b><u>Total Annual Fee</u></b>
\$100,000 - \$1,000,000	3.00%
\$1,000,001 - \$2,000,000	2.50%
\$2,000,001 - \$3,000,000	2.00%
\$3,000,001 - and up	1.50%

The fee schedule may be negotiated in our sole discretion.

### ***Independent Advisors Program Fees***

Under the Independent Advisors Program, for a single specified fee paid to D&D, you will receive clearing, custodial, and reporting services from us, as well as investment advisory services from the portfolio manager selected by you. You will not be charged brokerage and execution costs with respect to securities transactions executed by us as the broker-dealer. However, should your third party investment adviser execute transactions through broker-dealers other than D&D, you will be charged any additional brokerage and execution costs charged by those broker-dealers. The fees for the Independent Advisors Program, as set forth below, will be billed in advance on a quarterly basis as described above. Any additional charges for third party execution will be charged to your account as incurred. These fees are expressed in terms of an annual percentage of account asset value.

The Independent Advisors Program Fees are payable pursuant to the following fee schedule:

**Independent Advisors Program Fee Schedule  
(All Inclusive Fee)**

<u>Asset Value</u>	<u>Equity</u>	<u>Fixed Income</u>
\$100,000 - \$1,000,000	3.00%	2%
\$1,000,001 - \$2,000,000	2.50%	1.5%
\$2,000,001 - \$3,000,000	2.00%	1.25%
\$3,000,001 - and up	1.50%	1.0%

The fee schedule may be negotiated in our sole discretion. A portion of the fee will be paid to the third party investment adviser as negotiated between D&D and the investment adviser.

**Fee Plus Commissions Program Fees**

Advisory Fees for the Fee Plus Commissions program are set by and paid to us. The total cost of the services provided through the Fee Plus Commission Program could be more than if purchased separately or in a wrap fee program.

The Fee Plus Commission Program fees are payable pursuant to the following fee schedule:

**Fees Plus Commission Program  
Advisory Fee Schedule**

<u>Asset Value</u>	<u>Fee</u>
up to \$500,000	1.5%
\$500,001 - \$1,000,000	1.25%
\$1,000,001 – and up	1.00%

The fee schedule may be negotiated in our sole discretion.

In the Fee Plus Commission Program, in addition to the advisory fee set forth above, transaction costs such as brokerage commissions, SEC fees and exchange fees, etc., which are not reflected in the schedule above, will be charged to your account. Generally, you will pay brokerage commissions at a discount to our standard rates unless otherwise negotiated between you and the Financial Adviser servicing your account..

## **Commission Based Advisory Account Program Fees**

Fees for the Commission Based Advisory Account Program are set by and paid to us. These fees are charged on a transaction-by-transaction basis. The total cost of the services provided through our Commission Based Advisory Account Program could be more or less than if such services were purchased through a wrap fee program.

There are no set fees associated with the Commission Based Advisory Account Program. Instead, you will be charged for all transaction costs such as brokerage commissions, SEC and exchange fees, etc. Generally, you will pay brokerage commissions at a discount to our standard rates unless otherwise negotiated between you and the Financial Adviser servicing your account.

## **Non-Discretionary Investment Advisory Program Fees**

Fees for the Non-Discretionary Investment Advisory Program are set by and paid to us. These fees consist of an all-inclusive fee. In addition to the advisory fees SEC and exchange fees will be charged on transactions in your account. The total cost of the services provided through our Non-Discretionary Investment Advisory Program could be more or less than if such services were purchased separately. The all-inclusive fee is payable in advance on a quarterly basis as described above pursuant to the following schedule:

### **Non-Discretionary Investment Advisory Program Fee Schedule (All Inclusive Fee) Equity and Balanced Accounts**

<b><u>Total Account Value</u></b>	<b><u>Total Annual Fee</u></b>
\$ 100,000 - \$1,000,000	3.00%
\$1,000,001 - \$2,000,000	2.50%
\$2,000,001 - \$3,000,000	2.00%
\$3,000,001 - and up	1.50%

The fee schedule may be negotiated in our sole discretion.

## **Other Costs**

Your account may invest in index share products or exchange traded funds. These generally charge an administrative fee, which will increase your costs of investing over and above the fees described in this brochure. Similarly, if you invest in mutual funds, they may charge a management fee and administrative fees similarly

raising your costs. Consequently, you will, in effect, be paying two fees on these investments.

On occasion, we may recommend to our advisory clients investments in mutual funds from which we receive 12b-1 fees and/or brokerage commissions. Such 12b-1 fees (which would be disclosed in the prospectus of the fund) would be an additional benefit to D&D, as would any commissions paid to us by the fund manager. You should be aware of this potential conflict on any such investment.

For a discussion of compensation attributable to the sale of a security or other investment product (e.g., brokerage commissions), or personnel who may receive such compensation, including a disclosure regarding the potential conflict of interests this creates, see “Item 10. Other Financial Industry Activities and Affiliations” beginning on page 13

### **Termination of Investment Advisory Relationship**

You may terminate your investment advisory relationship with us at any time. Any investment advisory agreement between D&D and you will continue in effect until terminated by either D&D or you on written notice in accordance with the terms of the particular agreement. In the event of termination, our investment advisory fee will be prorated and debited through the date of termination, and any remaining balance of the advisory fee, if paid in advance, will be prorated based on the actual number of days we managed the account and the balances will be refunded to you.

Termination of the agreement does not affect or preclude the consummation of any transaction initiated prior to termination.

### **ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Not applicable.

### **ITEM 7. TYPES OF CLIENTS**

We provide services to individuals, pension and profit sharing plans, individual retirement accounts, trusts, estates, charitable organizations and corporations on a discretionary and non-discretionary basis in accordance with each of our client’s



stated investment objectives and policies. We generally require clients to have minimum assets under management of \$100,000.

## **ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

D&D provides its investment advisory services through individual financial advisers, who are registered to provide investment advisory services.

We require business experience sufficient to indicate that each of our employees who are responsible for determining or giving investment advice to clients possess the appropriate knowledge and skill necessary for undertaking such responsibilities competently. Generally, our investment executives have a wide range of business and educational backgrounds. At a minimum, we require a college degree or comparable business experience as a standard of education and business background for those employees providing securities advice to our clients.

As a result, a full gamut of investment strategies is offered. Particular approaches and risks are discussed in the individual supplement that will be provided to you with regard to the financial adviser you may be considering using.

However, as an overall matter, all securities investments involve the risk of loss and you should only invest if you are prepared to bear such loss.

Additionally, wrapped fee programs in which no additional fees are charged for execution create the potential for conflict in that the financial adviser may be advantaged by making fewer transactions than would be made in an account that charges commissions. Conversely, in a fee plus commission or commission only account, the financial adviser may earn higher fees by increased trading. You should be aware of these potential conflicts of interest (which are not intended to be an all inclusive list) and take them into account when deciding whether to open an investment advisory account with us.

You are advised and should understand that: (1) our past performance is not a guarantee of future results; and (2) market, interest rate and other investment-related risks exist that may adversely affect, and cause a loss in, the value of an account.

Additionally, we do not guarantee the successful performance of any asset allocation model or recommendation. Nor do we guarantee that a model or

recommendation will produce the desired results. Investments, such as those under the Wrap Fee Program, are subject to various market, currency, economic, political, and business issues and investment decisions may not always prove profitable.

## **ITEM 9. DISCIPLINARY INFORMATION**

The National Association of Securities Dealers, or NASD, pursuant to NASD Rules 2110, 2440, 3010, Interpretative Material 2440, identified during a review period in 2004, eight (8) instances in which D&D bought/sold a security for its own account from/to another broker-dealer and failed to sell/buy the security to/from a D&D customer at a price that was fair and reasonable, taking into consideration all relevant circumstances, including market conditions with respect to the security at the time of the transaction, the expense involved and that D&D was entitled to a profit. When D&D became aware of the markups in question, we promptly adjusted the markups to be consistent with our guidelines (which resulted in price adjustments totaling \$1,653), enhanced our policies and procedures and implemented additional training prior to any regulatory action. NASD's findings stated that we failed to adequately enforce our written supervisory procedures to ensure compliance with the applicable laws, regulations and NASD rules concerning fair pricing and markups. On July 11, 2007, pursuant to an Acceptance, Waiver & Consent, without admitting or denying the NASD's findings, we consented to the described sanctions and to the entry of findings, and we were censured and fined \$18,000.

During the period from October 1, 2005 through December 31, 2005, our broker-dealer failed to timely report 19 of 46 corporate bond transactions to the trade reporting and compliance engine, referred to in the industry as "Trace," as required by NASD Rules 2110 and 6230. On March 19, 2007, pursuant to an Acceptance, Waiver & Consent, without admitting or denying the findings, D&D consented to a \$5,000 fine and the entry of findings.

## **ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Our principal business is that of a full service general securities broker-dealer registered with the SEC and FINRA. In this capacity, we are involved in the sale

of various types of securities, including but not limited to, stocks, bonds, mutual funds, derivatives and money market instruments.

It is anticipated that our principals spend the vast majority of their time managing brokerage activities and a small amount of time providing investment advisory services and managing the advisory business.

We use (or recommend that our advisory clients use) the brokerage services offered by D&D. When we act as a broker-dealer for our client's account, we will retain commissions in connection with the execution of those transactions for advisory accounts. D&D may have a conflict of interest since it has an incentive to place trades with itself where the price and execution may not be better than other broker-dealers. D&D retains a substantial portion of the commissions paid by the clients and incurs minimal expenses in connection with the execution and clearance of the transactions. The client may choose to purchase the same security or investment product from a broker that is not affiliated with us.

We have established a variety of restrictions, procedures and disclosures designed to address conflicts of interest that may arise as a result of our participation in your transactions. If your account is held at our clearing firm, transactions for that account, including transactions in over-the-counter securities, will generally be effected by us as agent. We will not act as principal in any transaction for your accounts or act as agent on both sides of any transaction unless you have granted us permission to do so prior to the completion of the transaction. Unless otherwise noted and permitted by law, clients in a wrap fee program will be charged an all-inclusive investment advisory fee. Clients in a non-wrap fee program, such as the Fee Plus Commission Program, will be charged an advisory fee and brokerage commissions, execution costs, and administrative and custodian costs. A conflict of interest may be created with the Fee Plus Commission Program in that the combination of fees and commissions may generate costs to you greater than fee-only programs and may provide an incentive to actively trade the account. This conflict may also arise in the Commission Based Program. When effecting a transaction in an over-the-counter security for your accounts, we may effect a transaction directly with a market maker in the security in order to obtain the best price for you, in which case, we will charge you a commission on that transaction.

Commissions paid on transactions effected through D&D may be more or less than charged by other securities firms. We believe that the commission rates for our clients are competitive with rates available elsewhere for similar services. Commission rates are negotiable and are negotiated with the Financial Adviser servicing your account.

In advisory programs where commissions are charged, a conflict of interest may arise due to the fact that the Financial Adviser servicing the advisory account negotiates the commission schedule and has a financial incentive to charge higher rates to generate additional income for his own personal benefit. There may also be a conflict of interest as a result of the adviser's policy that a Financial Adviser must charge \$100 as a minimum ticket charge in order to receive his full payout on the transaction. Therefore, there is a financial incentive for the Financial Adviser to charge a minimum of \$100 on each transaction".

Our use of our own broker-dealer services to execute securities transactions may be deemed to create conflicts of interests. For example, we may receive compensation from parties on both sides of an agency cross transaction, in which case we may be deemed to have a conflicting division of loyalties and responsibilities.

When the same investment decision is made for multiple accounts, we may bunch or aggregate orders and allocate the investment among the participating accounts in a manner we determine appropriate. Since we frequently do not receive the same price or execution on the entire order, all participating accounts will be charged or credited with the average price. In some instances, this may operate to the disadvantage of one or more accounts. In addition, under certain circumstances, not all clients participating in the bunched trade will be charged the same commission rate. For example, on bunched trades effected through our broker-dealer, the commission rate charged certain clients may differ from, and may be higher than, the rate charged other clients participating in the same transaction through another broker-dealer. Where our financial adviser manages an investment advisory account and services a non-discretionary account, the investment advisory account may not receive a more advantageous execution price when purchasing the same security at approximately the same time. Aggregated orders occur primarily in the Independent Advisors program, but may occur in other advisory programs.

We or our employees may handle accounts for, and may render investment advice and other investment management and broker-dealer services to, other investors and institutions with respect to securities that D&D purchases, sells, or otherwise trades in for our clients' accounts. We or our employees may, for our own accounts, have a financial interest in, hold, purchase, sell or otherwise trade in and deal with securities that are the same as or similar to the securities that D&D purchases, sells, or otherwise trades in for our clients' accounts. We may take action with respect to investments in securities for your account that are the same

as or different from the action taken by us and/or any of our employees in handling other accounts, rendering other investment management or broker-dealer services, or handling our own investments.

The Adviser has a clearing agreement currently in place with Pershing LLC. Pershing provides execution and clearing services to the adviser pursuant to this agreement. A conflict of interest may arise due to the fact that there is a financial incentive for the Adviser to use Pershing for execution and clearing services in that the Adviser received a one-time payment upon execution of the clearing agreement, incurs a financial penalty in the event the agreement is terminated by the Adviser before the expiration date of the agreement and also receives rebates and fees for various services and functions provided to the Adviser's clients by Pershing. These services include the following: D&D receives rebates on the difference between the average customer margin rate and the federal funds rate on margin accounts; D&D receives rebates on the federal funds rate on client short interest balances. D&D receives compensation based on the level of its clients' assets in certain money market funds and account sweep vehicles; D&D receives compensation on stock loans; D&D receives compensation from the following fees charged by Pershing: inactive account fees, transfer (ACAT) fees, wired funds fees, monthly statement and confirmation paper fees and returned checks and stop payment fees. In addition, Pershing charges other fees for various services for which D&D does not receive rebates.

D&D issues proprietary research. D&D may have clients who hold securities of companies subject to our research or we may receive compensation for services rendered (i.e. investment banking fees or advisory fees) from companies covered by our research. Therefore, we may have a conflict of interest that could affect the objectivity of our research reports.

One of our financial advisers renders investment advisory services through his own SEC registered investment adviser. If you choose this financial adviser, he will provide you with additional disclosure regarding his SEC registered investment adviser.

## **ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN**

## **CLIENT TRANSACTIONS AND PERSONAL TRADING.**

### **Code of Ethics**

We have adopted a code of ethics, which we refer to as our “Code of Ethics,” relating to employee personal securities transactions. The Code of Ethics alerts our employees to their ethical and legal responsibilities with respect to certain securities transactions involving possible conflicts of interest with advisory clients and the possession of certain material non-public information. Specifically, the Code of Ethics states that your interest takes priority over the interests of D&D or our employees. Employees may not take advantage of their knowledge of your orders; employees may not favor the interests of one client over another client; personal transactions of employees are reported and reviewed for conflicts of interest and compliance with D&D policies; and employees must comply with policies regarding insider trading, gifts and entertainment, electronic communications and recordkeeping. We will provide a copy of the Code of Ethics to you upon request to the telephone number or email address set forth on the cover of this brochure.

See “Item 10. Other Financial Industry Activities and Affiliations” beginning on page 13 for a discussion of transactions with related persons and the related conflicts of interests.

### **Money Laundering**

We have implemented an anti-money laundering policy which prohibits and actively prevents money laundering and any activity that facilitates money laundering or the funding of terrorist or criminal activities. Money laundering is generally the movement of criminally derived funds to conceal the true source, ownership, or use of the funds. The funds are filtered through a maze or series of transactions, so the funds are “cleared” or “laundered” to look like proceeds from legal activities. In order to safeguard us against such activities, we have established procedures to report money laundering violations or suspicious activity to the appropriate governmental agencies.

### **Privacy Policy**

We have also adopted a privacy policy to safeguard your information and records. The privacy policy is furnished to you at the time you open an account with us and annually thereafter. The policy explains what type of information is collected from

you, how we protect your information and what information is disclosed to affiliated and non-affiliated third parties. For example, we may disclose your information to non-affiliated third parties with whom we have contracted to perform services, such as our clearing firm or our portfolio managers. For more information about our privacy policy, go to our website at [www.dominickanddominick.com](http://www.dominickanddominick.com).

See “Item 10. Other Financial Industry Activities and Affiliations” beginning on page 13 for a discussion of our participation or interest in client transactions and personal trading.

## **ITEM 12. BROKERAGE PRACTICES**

We use or recommend that our advisory clients use the brokerage services offered by D&D. If our broker-dealer fees are not already included in a client’s program (for example, through one of the wrap fee programs), then, unless otherwise negotiated, our broker-dealer will charge brokerage commissions at a discount to our standard rates. Commission rates are negotiable and are negotiated with the Financial Adviser servicing your account. The use of our own services may create certain conflicts of interest, including the fact that we will receive additional compensation based on the number of trades executed for the account thereby providing an incentive to actively trade the account..

In the event we are required to use another broker-dealer to complete a client’s transaction, it is typically because the client has requested the use of a third party broker-dealer, in which case the client will be responsible for the payment of any transaction costs charged by such broker-dealer. Clients may direct us to place transactions for their accounts with a particular broker-dealer. Furthermore, securities transactions effected for these clients may not be commingled for purposes of execution with orders for the same securities for other accounts managed by us. As a result, the client may lose the possible advantage that clients who do not direct their brokerage may obtain from the bunching of orders as a single transaction for the purchase or sale of a particular security. Consequently, designating the use of a particular broker-dealer may cause the client to pay a higher commission or receive less favorable net prices than would be the case if we were authorized to choose the broker-dealer through which to execute the transaction for the client’s account.

We have no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular portfolio transaction or to select any broker or dealer on the basis of its purported or “posted” commission rate. Although we generally seek competitive commission rates, we will not necessarily charge the lowest commission or commission equivalent.

In the case of accounts that we manage through a wrap fee program, we generally execute all agency transactions through the broker-dealer sponsoring the wrap fee program. Execution of transactions through the wrap fee sponsor will avoid incremental brokerage costs that would be incurred by the use of other brokers.

We may, in select circumstances, offer non-discretionary research or advisory services to financial institutions, under circumstances specifically negotiated with such institutions, in exchange for commissions or other compensation paid to us.

### **ITEM 13. REVIEW OF ACCOUNTS**

We will review and analyze your account no less than quarterly. To allow such review to be meaningful, you are responsible for promptly notifying us of any material change in your investment objectives or financial condition.

Your account will be reviewed at least quarterly by one of our financial advisers or portfolio managers. In reviewing your account, we will look at the specific securities owned by you, the asset mix of your account as compared to the composition of any applicable benchmark account, the availability of cash for investment, adherence to any guidelines you have established with us and the overall performance of your account.

On a quarterly basis, we will provide you with portfolio valuations that include the securities currently owned by you, their cost and market value, realized gains and losses, and a comparison of the performance of your account against appropriate indices, such as the S&P 500.

You will receive a trade confirmation for each purchase or sale of a security on your behalf. No less than quarterly, we will send you a statement showing, at a minimum, any positions held in your account at the end of the period and all of the transactions executed for your account during the period. We do not independently verify your portfolio manager’s returns.



## **ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION**

We may pay referral fees to individuals who have referred investment advisory clients to us. These individuals may receive a portion of the fees paid to us. If a broker has introduced an account to us, we will generally direct the account's orders to the introducing broker. In limited circumstances, we may pay referral fees to foreign finders on foreign accounts.

## **ITEM 15. CUSTODY**

In general, Pershing LLC, or "Pershing," maintains custody of our clients' account assets and performs custodial functions, including, among other things, crediting of interest and dividends on account assets and crediting of principal on called or matured securities in the account, together with other custodial functions customarily performed with respect to securities brokerage accounts. From time to time, a client may have made special arrangements to maintain their assets at another location, in which case, such clients would receive their activity statements, confirmations of trades, and other notifications from that third party custodian and will be bound by the terms of the client's agreement with that third party custodian.

Unless there is a special arrangement, if you have an account through an investment advisory relationship with us, Pershing will forward confirmations of each purchase and sale to you. Additionally, your account statements will be forwarded by Pershing directly to you, for each month in which activity occurs in your account. Account statements will be forwarded by Pershing directly to you no less than quarterly, regardless of whether or not there has been any activity in your account. All deliveries of these statements will be made either electronically or by U.S. mail, at your direction. Pershing will also act as general administrator of the account fees and the processing of deposits to and withdrawals from your account.

## **ITEM 16. INVESTMENT DISCRETION**

When entering into an investment advisory relationship, we require our clients to sign an investment advisory agreement that details the nature of our investment

advisory duties. If discretion is granted with respect to a client's account, we are generally authorized to determine and direct the execution of portfolio transactions within the client's specified investment objectives without consulting the client on a transaction-by-transaction basis. Some clients may limit the terms of our discretionary authority.

We will place orders for the execution of transactions for your account in accordance with best execution policies, unless otherwise directed by you.

In general, transactions effected for those clients whose assets are custodied at a broker-dealer will be effected through their custodian broker-dealer. Clients whose assets are custodied at another broker-dealer may not pay the same commission rates charged other clients whose assets are custodied at our broker-dealer.

#### **ITEM 17. VOTING CLIENT SECURITIES**

We will not vote the securities in your account, absent your direction to do so. Any proxy materials received through Pershing will be forwarded to you by Pershing.

#### **ITEM 18. FINANCIAL INFORMATION**

Not applicable.