

## **GLIKMAN / ASSOCIATES**

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This brochure provides information about the qualification and business practices of GLIKMAN/ASSOCIATES.

If you have any questions about the contents of this brochure, please contact GLIKMAN/ASSOCIATES directly by calling 415-456-0448. 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 GLIKMAN/ASSOCIATES is also available on the Internet at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

Registered Investment Advisor means that Glikman/Associates has filed a registration statement with the appropriate regulatory bodies, that we continue to provide required paperwork to regulators on a regular and timely basis and pay the required annual fees associated with an investment advisory business. The registration process itself does not imply a certain level of skill or training.

## **Item 2 - Material Changes**

This brochure contains no material changes.

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## Item 4 - Advisory Business

GLIKMAN/ASSOCIATES (later referred to as "G/A") opened its doors in 1990 with Karen D. Glikman as a sole proprietor. In 1992, M.C. Duboscq joined the firm and Glikman/Associates changed its status to a partnership. Both partners are CERTIFIED FINANCIAL PLANNER (TM) professionals. The certification is awarded by the Certified Financial Planner Board of Standards, Inc after passing a rigorous course of study and testing. The partners have been providing financial planning and investment advice to clients for more than 20 years.

G/A has no subsidiaries nor parent companies.

### Advisory Services:

- 1) We provide ongoing **portfolio investment management** advice to clients who have signed our investment advisory contract.
  - a. As an added benefit to our clients, because we value the benefits ongoing financial planning, we offer basic financial planning included as part of the investment management fee to our advisory clients. Basic financial planning provides a context of the client's situation with an overview of cash flow (current and projected needs), retirement planning, estate planning, tax planning and risk management. Financial planners are generalists and we refer clients back to their tax advisors, legal advisors or insurance advisor when deeper conversations are needed. Clients do not need to accept the financial planning process in order to work with us, but we feel it better guides our advisory relationship in identifying personal financial goals and needs.
- 2) **Hourly Fees:** G/A may provide a targeted situational financial planning meeting or a financial check-up for an hourly fee to non-advisory clients. We prioritize our ability to provide this hourly service based on the needs of our primary clients, the clients who have signed an investment advisory contract. G/A does not offer investment advice for an hourly fee.
- 3) **Commissions** - Commission income is generated primarily from legacy clients or clients who cannot open an investment management account; advisory clients with a need for separate smaller accounts e.g.: minor's accounts, special needs, or, in circumstances where investment alternatives are limited by the universe of investment opportunities (such as employer retirement plans), or smaller portfolios. For these types of funds placement, the partners of G/A work as Registered Representatives with Financial Telesis Inc to sell mutual fund products. These mutual fund sales generate a commission. The partners of G/A hold individual insurance licenses in the state of CA for the sale of certain insurance products (life, health, disability, long term care), these insurance products generate commissions.

We tailor advisory services according to individual client needs. We discuss with each client their risk tolerance, investment horizon, projected future needs using financial planning tools and software in order to create a personalized portfolio allocation.

If clients wish to impose restrictions on investments or securities or types of securities, we feel that those assets are best left separate from a G/A managed portfolio and we will ask clients to retain those types of securities in a separate brokerage account.

G/A does not participate in wrap fee programs.

As of 12/31/2011 Glikman/Associates managed \$59,008,601 on a discretionary basis for their investment advisory clients.

## Item 5 - Fees and Compensation

### Portfolio Investment Management Fees

The first **\$1,000,000**, is billed at **.25% per quarter** (one percent per year)

The next **\$1,000,000.01 and up**, is billed at **.125% quarterly** (half of one percent per year)

Fees are aggregated by household. For new clients, effective 1/11/11, advisory contracts have a minimum quarterly fee of \$625 (minimum annual fee of \$2,500.00). An investment advisory contract may not make economic sense for a client or the adviser when a portfolio has less than \$250,000 in assets. G/A's advisory fee schedule is negotiable if it involves unique factors justifying exceptional treatment. Fee calculations are based on the value of all assets held by independent third party custodian (Charles Schwab & Co, Inc) as of the close of the last business day of the calendar quarter (March 31st, June 30th, September 30th, and December 31<sup>st</sup>), prorated adjustments are made to the fee for flows of cash in and out of the portfolio within the quarter.

Clients can choose one of two ways to pay their quarterly Investment Advisory Fee:

Pre-authorized direct payment of fee to G/A from brokerage account held with third party custodian, or, payment with personal check within 10 days of receiving our invoice.

Three criteria must be met when payment is made by third party custodian from client account:

- 1) Client provides advance written authorization permitting withdrawal of fees by third party custodian on client's custodian application,
- 2) G/A sends client an invoice showing the amount of fee, value of client assets on which fee is based and presents to custodian the fee amount for payment from client's account,
- 3) Custodian agrees to send client a statement, no less than quarterly, indicating all amounts disbursed from the account including advisory fees paid from the client account to G/A.

We do not charge fees in advance. Our investment advisory fees are billed in arrears, thus no possibility of fee refund exists if an advisory contract is terminated before the end of the quarterly billing period. Clients who terminate their investment advisory contract are billed a pro-rated fee calculated from the date of the prior quarter end through the day after receipt of the termination letter by Glikman/Associates.

G/A uses primarily no-load mutual funds and ETF's to build portfolios for investment advisory clients. No-load funds are mutual funds with no up-front sales charges (also known as commission). The no-load funds and ETF's are screened for low or lower than average annual expense ratios when compared to comparable mutual funds.

Schwab may charge clients trading or transaction fees for the purchase or sale of an asset. Mutual fund companies also charge fees within the fund, those fees are reflected in each mutual fund's prospectus and disclosed as the annual expense ratio. None of these fees are shared with G/A by the third party custodian (Schwab) or the mutual funds.

Clients can reduce some of Schwab's trading fees on ETF's and equities (only) by agreeing to sign up to receive all custodian communications: confirmations, monthly statements, and various other shareholder communications, via e-delivery.

Charles Schwab & Co., Inc. does not charge account setup fees or annual account maintenance fees. Schwab does, however, charge a \$50 account closing fee at the time of a complete account transfer to another custodian. Schwab will also charge an occasional miscellaneous fee for services such as wire transfers or in the case of a bounced check due to insufficient funds.

**Hourly Fees:**

On occasion, the partners may accept to meet with non-investment advisory clients for a one time financial check-up, financial coaching or situational problem solving. The hourly fee is currently \$175.00 per hour and payment is expected at end of meeting.

**Commissions:**

In some situations, our advisory clients are required to use a limited universe of investment opportunities (i.e.: for employer retirement plans, or, for children's custodial accounts) which may not allow an investment advisor managed account for those account assets. For these situations, load (commissionable) mutual funds may be the only choice. G/A can assist with the placement of these mutual funds and may receive commissions and trails on such a placement. In such a case, G/A partners act in their individual capacity as Registered Representatives of Financial Telesis Inc. The individual partners of G/A receive commissions as detailed in the prospectus of such mutual funds. There is no obligation for an investment advisory client to use our firm for purchase of mutual funds which pay a commission.

G/A's partners also receives commissions on placement of insurance related products and renewal premiums. Commissions from all sources provided less than 5% of G/A's total annual compensation in 2011. Clients are greatly encouraged to use non commission insurance products if and when such products are available. However, if either of G/A partners assists in placement of an insurance product, and a commission would be paid to any licensed person, the individual partner receives a commission if licensing and contract with the insurance company is current. The partners of G/A maintain their individual Life and Disability Insurance licenses in the state of CA. Commission schedules are set by the insurance company.

Clients have the option to purchase investment or insurance products we recommend through other brokers or agents not affiliated with G/A.

If G/A partners earn a commission on products as described above, G/A will not offset investment advisory fees by commissions earned.

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

G/A does not charge performance based fees as we do not manage hedge funds or pooled investment vehicles. G/A does not charge side-by-side management fees.

## **Item 7 - Types of Clients**

G/A provides investment management services to individuals for their personal and retirement needs as well as for small business retirement plans (SEP-IRA's, Simple IRA's, pension or profit sharing plans). Effective 1/1/11, our minimum annual fee for new investment advisory contracts is \$2,500 annually; as such we feel that it makes most economic sense to our new clients if they have at least \$250,000 in assets to be managed.

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

Our approach to investment analysis and investment strategy is called fundamental. We purchase research materials prepared by others, we subscribe to financial newspapers and magazines, access annual reports, prospectuses, filings with the SEC.

G/A develops investment strategies and portfolio allocations guided by stated client needs, time horizon and clients' stated risk tolerance. G/A uses a strategy of long term investing in its implementation of the investment advice provided to each individual client.

All investing strategies involve a risk of loss that the client should be prepared to bear.

We recommend mutual funds and ETF's for our investment advisory clients. Securities of all sorts, including mutual funds and ETF's are not deposits or obligations of, or guaranteed or endorsed by, any bank, and are not insured by any agency. All mutual funds and ETF's are priced based on the underlying stock and bond prices. That means you can expect that a portfolio is continuously exposed to the risk of going up or down, on a daily basis. Markets move up or down in response to periods of irrational exuberance or global despondency or calamity. Volatility, how fast markets move, always impact portfolios, sometimes to our great joy, sometimes to our dismay. When there are more buyers than sellers, markets go up. When there are more sellers than buyers, markets go down. Both of the ups and downs are risks that happen with a degree of regularity. This is a basic risk of all investing.

## **Item 9 - Disciplinary Information**

Karen D. Glikman, M. C. Duboscq, Glikman/Associates have never been the subject of any legal or disciplinary event, criminal or civil action in domestic, foreign or military court, or subject to proceedings brought about by a self-regulatory organization.

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

Each of the partners, Karen D. Glikman and M. C. Duboscq are registered representatives with Financial Telesis Inc. an independent broker-dealer:

Financial Telesis Inc  
4340 Redwood Highway Suite A23  
San Rafael, CA 94903  
(415) 526-2750  
James H. Williams, III, principal

The partners are individually licensed in the State of California as Life and Health insurance agents. Currently each partner is licensed to sell products offered by Anthem Blue Cross, Genworth and Jackson National Life. In addition we continue to receive commissions and provide servicing on older policies placed with UnumProvident Life and Disability, MetLife (for policies placed originally through The Travelers), Reassurance Co (for policies placed originally through Royal Maccabees).

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

G/A's Code of Ethics requires each employee to comply with and act in accordance to all relevant Federal Securities Laws, rules and regulations. Advisors are required to meet qualifications and requirements of states where firm conducts advisory business. Continuing education is required of all advisors to maintain licensing.

G/A requires that those involved in giving or determining investment advice have a college degree, appropriate licensing and adhere to the Code of Ethics developed by the Certified Financial Planner Board of Standards, Inc. The code of ethics contains 7 principles: Integrity, Objectivity, Competence, Fairness, Confidentiality, Professionalism, and Diligence.

G/A complies with Privacy regulations and guards client nonpublic information. Our Privacy Policy Notice is provided to prospective clients as well as annually to existing clients. It is also available upon request.

G/A can provide a copy of our Code of Ethics to any client or prospective client upon request.

Glikman/Associates, Karen D. Glikman and M. C. Duboscq do not have any material financial interest in any securities recommended for a client.

Glikman/Associates, Karen Glikman and M. C. Duboscq buy and sell for their personal portfolios from within the same universe of securities recommended to clients. All trades in a mutual fund are calculated at the same time at the close of business day and do not generate an advantage for our firm. The trading by G/A employees in other publicly traded securities traded on or around the same time as trading for clients is generally insignificant to the general daily volume of such securities and do not, in our opinion, present a pricing disadvantage to our clients.



## **Item 12 - Brokerage Practices**

G/A has entered into an agreement with Charles Schwab & Co. Inc, an independent third party and unaffiliated broker-dealer, as its custodian of client funds for investment management clients. This is a business decision based on convenience both for G/A and clients. As a small firm, Glikman/Associates prefers not to take on the complexity of working with multiple custodians. Not all investment advisors require their clients to open all their accounts with one third party custodian. Dividing our client base between more than one broker-dealer would have led to higher costs within our advisory business which in turn would have us charge higher fees to our investment advisory clients. As a small advisor we have endeavored to find a custodian that works to maintain a high level of service and integrity at the most reasonable price for our clients.

Charles Schwab & Co. Inc. is a discount broker and sets transaction fees according to its own schedule of fees. G/A and Schwab are not affiliates and have no economic relationship that creates a material conflict of interest. Any fees charged by Schwab are not shared with G/A.

We chose Charles Schwab & Co. Inc as our independent third party custodian due to the committed level of service provided by Schwab to the investment advisory community and its clients. Charles Schwab & Co. Inc has created a team of dedicated representatives that will work with our client accounts and provide extended customer service functions through the Schwab Alliance Team.

In addition to effecting trades and acting as custodians of client accounts, Charles Schwab & Co Inc provides us with products and services that assist with the management and administration of client accounts.

As long as G/A maintains at least \$10,000,000 in client assets at Schwab, Charles Schwab & Co. Inc, provides us access to certain no cost services that are used to benefit all of our client accounts custodied at Schwab. These products and services include: software that facilitates trade execution, clearance and custody; research, pricing information and other market data; software that assists with back office support, recordkeeping and client reporting; access to Schwab proprietary software (Schwab's trading platform, Schwab's Institutional website, and downloads of daily transaction details to our Portfolio Management Software) to assist in daily client account management. Technical support is provided by Charles Schwab & Co. Inc to work with their database. Schwab also makes certain investment adviser compliance materials available as well as ongoing education to the investment advisory community.

We use benefits provided by Schwab to provide service to all our investment advisory client accounts.

Mutual fund trades are placed individually per client account. However, if practical, G/A may bunch multiple client trades in the same equity position into a single order (a block). When employing a block trade which is filled at several prices, we request Schwab allocate shares at an average price to each client for all trades executed within that block.

It is possible that trading as a block during a fast moving market could increase or equally decrease cost to the individual client. It is equally possible that individual trading approach would be less beneficial than an aggregated block trade with allocation of shares to each client.

## **Item 13 - Review of Accounts**

### **Daily:**

Review of daily account activity to individual accounts. Complete account review can be triggered by large cash movement in or out of portfolios, by client request, market fluctuations, or material news regarding a specific security.

### **Monthly:**

Karen Glikman reviews each client account on a monthly basis and makes individual client portfolio recommendations to rebalance based on client's portfolio allocation and known cash management needs.

Third party custodian, Charles Schwab & Co. Inc., provides confirmation of trades as they occur to each client and provides end of month statements for every client account either by US mail delivery or e-delivery via access to their secure website, at client option. Default delivery option by Schwab for documents is via US mail.

### **Quarterly:**

Glikman/Associates mails written quarterly reports to each investment advisory client normally via US Mail (or via e-mail if client states preference). The quarterly report consists of 1) Cover letter, 2) Portfolio Overview, 3) Portfolio Position Details, 4) invoice.

### **Annual:**

Clients are encouraged to meet with us and review their portfolios and financial goals.

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

Client referrals come from introductions on the part of current clients or from other professionals such as attorneys or accountants who are not compensated by G/A. G/A appreciates the trust given to us, but does not compensate any individuals for referrals.

## **Item 15 - Custody**

Glikman/Associates does not take custody of client funds or securities. As a courtesy to clients, we remit client checks received by our office for deposit to clients' Charles Schwab & Co. Inc. account by US mail.

Charles Schwab & Co. Inc sends monthly statements directly to its brokerage clients (our investment advisory clients) and makes a copy of every statement available to the advisor on the Schwab Institutional website. These statements, like checking account statements, are reports of activity in our client's accounts. We urge our clients to review their statements and address any discrepancies or questions with us at (415) 456-0448.

## **Item 16 - Investment Discretion**

Investment advisory clients are asked to provide G/A discretionary authority to manage accounts on their behalf. G/A receives discretionary authorization from each client on the signed investment advisory contract engaging our services. G/A provides client with assistance in opening an account with an independent third party custodian (Charles Schwab & Co. Inc). The third party custodian application provides Limited Power Of Attorney (LPOA), or if client already has a Schwab account, G/A requests client to sign a Schwab LPOA form. The LPOA grants the investment advisor access over activity in client account. This discretionary authority is limited to 1) ability to conduct trading activity within the client account, 2) allows for direct payment of advisory fees from client account to advisor by custodian, 3) allows investment advisor to request funds to be delivered from client account to the client at client address, or predetermined other account with exact same client registration set up through the custodian, and does not enable advisor to direct delivery of funds or securities in any manner that is not for the benefit of the client.

### **Trade Errors:**

Mistakes happen from time to time. If G/A makes an error in submitting a trade order for client account, we will work with Schwab to make the client right. G/A will place a correcting trade with Schwab which has custody of the account. If an investment gain results from the correcting trade, the gain will remain in client 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, or 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, Schwab will donate the amount of any gain \$100 and over to charity. If a loss occurs greater than \$100, G/A will be charged by the custodian 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 17 - Voting Client Securities**

Glikman/Associates does not accept authority to vote proxies for client securities.

Clients receive their proxies directly from the custodian or transfer agent. G/A receives informational copies of the same documents. Clients may contact us to review their questions about matters covered by the proxy or the mechanics of voting the proxy. The final responsibility of voting the proxy remains with the client.

## **Item 18 - Financial Information**

G/A does not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance.

## **Item 19 – Requirements for State-Registered Advisors**

Glikman/Associates is a partnership formed in 1992. Our two principals are:  
Karen D. Glikman, CFP® and M.C. Duboscq, CFP® - their resumes are as follows:

Karen Glikman, CFP®:

- Born 1954, Oakland CA, USA
- 1993 - NASD (now FINRA) Series 26
- 1987 - Certified Financial Planner (TM) designation conferred by College of Financial Planning (now administered by Certified Financial Planner Board of Standards, Inc.)
- 1985 - NASD (now FINRA) Series 7
- 1985 - Life and Health Agent License issued by CA Dept of Insurance, license #0676260
- 1979 - M.A. Anthropology, San Francisco State University CA
- 1976 - B.A. San Francisco State University CA

M.C. (Marie-Christine) Duboscq, CFP®:

- Born 1956, St. Etienne de Baigorry, Pyrenées Atlantiques, FRANCE
- 2000 - Certified Financial Planning (TM) conferred by Certified Financial Planner Board of Standards, Inc.
- 1995 - Life and Health Agent License issued by CA Dept of Insurance, license #0B56191
- 1993 - NASD (now FINRA) Series 24
- 1991 - NASD (now FINRA) Series 7 and series 63
- 1979 - Single Subject Secondary Teaching Credential, College of Notre Dame, Belmont, CA
- 1978 - B.A., College of Notre Dame, Belmont CA

The CFP® designation is the official designation earned from the Certified Financial Planner Board of Standards, Inc. This designation is conferred to individuals who successfully pass an education program to develop their theoretical and practical financial planning knowledge. After completion of the educational program, an exam must be passed which covers the financial planning process, tax planning, employee benefits and retirement planning, estate planning, investment management and insurance. Once the CFP® designation has been earned, in order to maintain the CFP® designation, the certificant is required to undergo 30 hours of study every two years, including two hours from a pre-approved program on CFP Board's Code of Ethics and Professional Responsibility or Financial Planning Practice Standards.

To maintain a Life and Health Agent license with the State of California, an agent is required to earn a minimum of 24 hours of study every two years, including 4 hours of Ethics continuing education.

The main business activity of the partners of Glikman/Associates, a Registered Investment Advisor, is to provide portfolio investment management services and servicing of client brokerage accounts to its clients who sign an investment advisory contract.

We believe that less than 1% of our daily time is spent on conversations and business activity with non-investment advisory clients. This small fraction of our day would be to assist legacy clients with existing insurance policies, or, mutual funds sold thru Financial Telesis Inc. as previously detailed in Items 5 and 10.

As stated in Item 6 - Our firm does not charge performance based fees.

Neither our firm Glikman/Associates, nor, either of its partners, Karen D. Glikman, CFP® or M. C. Duboscq, CFP® have ever been the subject of any legal or disciplinary event, criminal or civil action in domestic, subjects of a foreign or military court or subject to proceedings brought about by a self-regulatory organization.

Neither Glikman/Associates nor its partners have any relationship with any issuer of securities.