

# Greenway Family Office, LLC

## Client Brochure

*This brochure provides information about the qualifications and business practices of Greenway Family Office, LLC. If you have any questions about the contents of this brochure, please contact us at (314) 400-5050 or by email at: [jmalloy@greenwayfo.com](mailto:jmalloy@greenwayfo.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 Greenway Family Office, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Greenway Family Office, LLC's CRD number is: 153070*

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*Registration does not imply a certain level of skill or training.*

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## **Item 2: Material Changes**

Greenway Family Office, LLC has no material changes to report since the previous annual amendment filed on April 2, 2012.

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## **Item 4: Advisory Business**

### **A. Description of the Advisory Firm**

This firm has been in business since March 11, 2010, and the principal owner is The Malloy Group LLC.

### **B. Types of Advisory Services**

Greenway Family Office, LLC (hereinafter “GFO”) offers the following services to advisory clients:

#### ***Investment Supervisory Services***

GFO offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. GFO creates an Investment Policy Statement for each client, which outlines the client’s current situation (income, tax levels, and risk tolerance levels) and then constructs a plan (the Investment Policy Statement) to aid in the selection of a portfolio that matches each client’s specific situation. Investment Supervisory Services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

GFO evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. GFO will request discretionary authority from clients in order to execute transactions after discussion with the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

#### ***Selection of Other Advisors***

GFO may direct clients to third party money managers. GFO will not be compensated via a fee share from the advisors to which it directs those clients.

#### ***Wealth Management Services***

GFO provides related wealth management services including cash flow budgeting, financial records organization and retention, coordination with outside advisors, philanthropy planning, and family meeting facilitation. Fees for these services will be determined and separately negotiated based on the specific needs and circumstances of the engagement. The final fee structure will be documented in Exhibit II of the Family Office Agreement. Clients may terminate their contracts without penalty, for full refund, within five (5) business days of signing the agreement.

### ***Services Limited to Specific Types of Investments***

GFO limits its investment advice to the following asset classes: cash, equities, fixed income, debt securities, mutual funds, ETFs, separately managed accounts, real estate, commodities, REITs, partnerships, fund of funds, private equity, hedge funds, direct participation programs, insurance products including annuities, and government securities. GFO may use other securities to help diversify a portfolio when applicable.

### **C. Client Tailored Services and Client Imposed Restrictions**

GFO offers a broad suite of services to all of its clients. However, specific client financial plans and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent GFO from properly servicing the client account, or if the restrictions would require GFO to deviate from its standard suite of services, GFO reserves the right to end the relationship.

### **D. Wrap Fee Programs**

GFO does not participate in any wrap fee programs.

### **E. Amounts Under Management**

GFO has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$125,855,801.00	\$17,092,696.00	09/11/2012

## **Item 5: Fees and Compensation**

### **A. Fee Schedule**

#### ***Investment Supervisory Services Fees***

Each family's fee is determined and separately negotiated based on the specific needs and circumstances of the engagement. The fees charged will not exceed any limit imposed by the SEC.

The final fee schedule is attached as Exhibit II of the Family Office Agreement. Fees are paid monthly or quarterly in advance, and clients may terminate their contracts with three (3) days' written notice. Refunds are given on a prorated basis, based on the number of days remaining in a month or quarter (depending upon billing period) at the point of termination. Clients may also terminate their contracts without penalty, for full refund, within five (5) business days of signing the advisory contract.

#### ***Wealth Management Services Fees***

##### ***Fixed Fees***

Depending on the complexity of the situation and the needs of the client, the client may be charged a fixed fee. Such fees are paid monthly or quarterly in advance, and clients may terminate their contracts with three (3) days' written notice. Fees that are charged in advance will be refunded based on the prorated amount of work completed at the point of termination. Fees for these services will be determined and separately negotiated based on the specific needs and circumstances of the engagement. The final fee structure will be documented in Exhibit II of the Family Office Agreement. Clients may also terminate their contracts without penalty, for full refund, within five (5) business days of signing the advisory contract.

### **B. Payment of Fees**

#### ***Payment of Investment Supervisory Services Fees***

Advisory fees are withdrawn directly from the client's accounts with the client's written direction. Fees are paid monthly or quarterly in advance.

Advisory fees are also invoiced and billed directly to the client monthly or quarterly in advance. Payments are due by the 5<sup>th</sup> of the month if billed monthly or by the 15<sup>th</sup> of the month if billed quarterly. Clients may select the method in which they are billed.

### ***Payment of Wealth Management Services Fees***

Fixed Wealth Management Services fees are paid via check or direct withdrawal. Fees are paid in advance, but never more than six months in advance. Fees that are charged in advance will be refunded based on the prorated amount of work completed at the point of termination.

#### **C. Clients Are Responsible For Third Party Fees**

Clients are responsible for the payment of all third party fees (i.e. custodian fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by GFO. Please see Item 12 of this brochure regarding broker/custodian.

#### **D. Prepayment of Fees**

GFO collects fees in advance. Fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination and the total days during the billing period. Fees will be returned within fourteen days to the client via check or deposit into the client's account.

#### **E. Outside Compensation For the Sale of Securities to Clients**

Neither GFO nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds.

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

GFO does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

### **Item 7: Types of Clients**

GFO generally provides wealth management and/or management supervisory services to the following Types of Clients:

- ❖ High-Net-Worth Individuals
- ❖ Trusts, Estates, or Charitable Organizations

#### ***Minimum Account Size***

There is an account minimum of \$10,000,000 which may be waived by the investment advisor, based on the needs of the client and the complexity of the situation.



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

### **A. Methods of Analysis and Investment Strategies**

#### ***Methods of Analysis***

GFO uses fundamental analysis and may also contract with third-party advisory firms to conduct due diligence on certain products.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

#### ***Investment Strategies***

GFO recommends managers who employ long term trading, short term trading, short sales, margin transactions, options writing (including covered options, uncovered options, or spreading strategies).

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### **B. Material Risks Involved**

#### ***Methods of Analysis***

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

#### ***Investment Strategies***

Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Short term trading, short sales, margin transactions, and options writing generally hold greater risk and clients should be aware that there is a chance of material risk of loss using any of those strategies.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### **C. Risks of Specific Securities Utilized**

GFO generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets. However, it will utilize short sales, margin transactions, and options writing. Short sales, margin transactions, and options writing generally hold greater risk of capital loss and clients should be aware that there is a chance of material risk of loss using any of those strategies.

Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

## **Item 9: Disciplinary Information**

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of this advisory business or the integrity of our management.

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

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither GFO nor its representatives are registered as a broker/dealer or as representatives of a broker/dealer.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither GFO nor its representatives are registered as a FCM, CPO, or CTA.

### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Neither GFO nor its representatives have any material relationships to this advisory business that would present a possible conflict of interest.

### **D. Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections**

GFO may direct clients to third party money managers. GFO will not be compensated via a fee share from the advisors to which it directs those clients. GFO will always act in the best interests of the client, including when determining which third party manager to recommend to clients.

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

### **A. Code of Ethics**

GFO has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions,

Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Clients may request a copy of GFO's Code of Ethics from management.

## **B. Recommendations Involving Material Financial Interests**

GFO does not recommend that clients buy or sell any security in which a related person to GFO has a material financial interest.

## **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of GFO may buy or sell securities for themselves that they also recommend to clients. GFO will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

## **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of GFO may buy or sell securities for themselves at or around the same time as clients. GFO will always transact client business before their own when similar securities are being bought or sold.

# **Item 12: Brokerage Practices**

## **A. Factors Used to Select Custodians and/or Broker/Dealers**

The Custodians, Schwab Institutional, a division of Charles Schwab & Co., Inc., and TD Ameritrade were chosen based on their relatively low transaction fees and access to mutual funds, ETFs and separately managed accounts. GFO will never charge a premium or commission on transactions, beyond the actual cost imposed by Custodian.

### ***1. Research and Other Soft-Dollar Benefits***

GFO receives no research, product, or service other than execution from a broker-dealer or third-party in connection with client securities transactions ("soft dollar benefits"). There is no minimum client number or dollar number that GFO must meet in order to receive free research from the custodian or broker/dealer. There is no incentive for GFO to direct clients to this particular broker-dealer over other broker-dealers who offer the same services. The first consideration when recommending broker/dealers to clients is best execution.

## **2. Brokerage for Client Referrals**

GFO receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

## **3. Clients Directing Which Broker/Dealer/Custodian to Use**

GFO allows clients to direct brokerage. GFO may be unable to achieve most favorable execution of client transactions if clients choose to direct brokerage. This may cost clients money because without the ability to direct brokerage investment managers hired by the client may not be able to aggregate orders to reduce transactions costs resulting in higher brokerage commissions and less favorable prices.

### **B. Aggregating (Block) Trading for Multiple Client Accounts**

Investment managers hired by the clients maintain the ability to block trade purchases across accounts but will rarely do so. While block trading may benefit clients by purchasing larger blocks in groups, GFO does not feel that the clients are at a disadvantage due to the best execution practices of the custodians and investment managers.

## **Item 13: Reviews of Accounts**

### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

Client accounts are reviewed at least quarterly by Joan D. Malloy. Joan D. Malloy is the chief advisor and is instructed to review clients' accounts with regards to their investment policies and risk tolerance levels. All accounts at GFO are assigned to this reviewer.

### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client will receive at least quarterly a written report detailing the client's account which may come from the custodian or aggregation services engaged by the client.

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

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

GFO does not receive any economic benefit, directly or indirectly from any third party for advice rendered to GFO clients.

### **B. Compensation to Non –Advisory Personnel for Client Referrals**

GFO does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

## **Item 15: Custody**

GFO does not take custody of client accounts at any time. Custody of client's accounts is held primarily at Schwab Institutional, a division of Charles Schwab & Co., Inc., and TD Ameritrade. Clients will receive account statements from the custodian and should carefully review those statements. GFO urges clients to compare the account statements they receive from the custodian with those they received from GFO.

## **Item 16: Investment Discretion**

For those client accounts where GFO provides ongoing supervision, GFO maintains limited power of authority over client accounts with respect to securities to be bought and sold and amount of securities to be bought and sold. All buying and selling of securities is explained to clients in detail before an advisory relationship has commenced.

## **Item 17: Voting Client Securities (Proxy Voting)**

GFO will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security. Investment managers hired by the clients may have or may institute proxy voting policies which differ from GFO's policy.

## **Item 18: Financial Information**

### **A. Balance Sheet**

GFO does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither GFO nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

### **C. Bankruptcy Petitions in Previous Ten Years**

GFO has not been the subject of a bankruptcy petition in the last ten years.