

**Item 1: Cover Page For Part 2B of Form ADV:  
Brochure Supplement**

**October 2012**



**Herbert N. Messick, III**

**Quantum Econometrics, LLC  
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Whittier, CA 90603**

**Firm Contact:  
Karen Burneff  
Chief Compliance Officer  
[www.quantumecon.com](http://www.quantumecon.com)**

**This brochure supplement provides information about Herbert N. Messick III that supplements our brochure. You should have received a copy of that brochure. Please contact Karen Burneff, Chief Compliance Officer, if you did not receive our firm's brochure or if you have any questions about the contents of this supplement.**

**Additional information about Mr. Messick is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2. Educational Background & Business Experience**

**Herbert N. Messick III**

**Year of Birth:** 1944

### **Educational Background:**

- 1967: University of Delaware; BS Economics
- 2007: The American College; MS Financial Services

### **Business Background:**

- 04/2012 - Present      Quantum Econometrics, LLC  
President
- 07/1983 - Present      Financial Network Investment Corporation  
Regional Director, Investment Adviser Representative &  
Registered Representative

### **Exams, Licenses & Other Professional Designations:**

- 1981: Series 7 & Series 24

**Accredited Asset Management Specialist (AAMS)** - this designation is obtained by completing 12 self study modules requiring 100-120 hours and completion of an online exam. There is no prerequisite required. The designation requires 16 hours of continuing education every 2 years.

**Accredited Estate Planner (AEP)** - this designation is obtained by completing 2 graduate level courses administered by an accredited graduate program as part of a master's or doctorate degree (unless the IAR has 15 or more years experience as an estate planner) and completion of a final exam for each course. As a prerequisite the IAR must be an attorney, CPA, insurance professional and financial planner (CLU, ChFC, CFP) or a trust officer in good standing with their professional organization and have a minimum of 5 years experience in estate planning. The designation requires 30 hours (15 in estate planning) of continuing education every 24 months.

**Certified Financial Planner (CFP)** - this certification is obtained by completing an advanced college-level course of study addressing the financial planning subject areas that the CFP board's studies have determined as necessary for the competent and professional delivery of financial planning services, a comprehensive certification exam (administered in 10 hours over a 2 day period) and agreeing to be bound by the CFP board's standard of professional conduct. As a prerequisite the IAR must have a bachelor's degree from a regionally accredited United States college or university (or foreign university equivalent) and have at least 3 years of full time financial planning experience (or equivalent measured at 2,000 hours per year). This designation requires 30 hours of continuing education every 2 years and renewing an agreement to be bound by the standards of professional conduct.

**Chartered Financial Consultant (ChFC)** - this designation is obtained by completing 6 core, 2 elective courses and a final exam for each course. As a prerequisite the IAR must have 3 years of

full time business experience within the 5 years preceding the awarding of the designation. This designation requires 30 hours of continuing education every 2 years.

**Chartered Life Underwriter (CLU)** - this designation is obtained by completing 5 core courses, 3 elective courses and a final exam for each course. As a prerequisite the IAR must have 3 years of full time business experience within the 5 years preceding the awarding of the designation. This designation requires 30 hours of continuing education every 2 years.

**Chartered Mutual Fund Counselor (CMFC)** - this designation is obtained by completing 9 self study modules requiring 72-90 hours and a final exam. There are no prerequisites. This designation requires 16 hours of continuing education every 2 years.

**Chartered Retirement Planning Counselor (CRPC)** - this designation is obtained by completing an online instructor led or self study course and a final exam. There are no prerequisites. This designation requires 16 hours of continuing education every 2 years.

**Master of Science in Financial Services (MSFS)** - this designation is obtained by completing a graduate program. As a prerequisite the IAR must have a bachelor's degree. This designation has no continuing education requirement.

### **Item 3. Disciplinary Information**

If there are legal or disciplinary events material to your evaluation of Mr. Messick , we are required to disclose all material facts regarding those events.<sup>1</sup>

We have nothing to disclose in this regard.

### **Item 4. Other Business Activities**

A. If Mr. Messick is actively engaged in any investment-related business or occupation, including if he is registered, or has an application pending to register, as a broker-dealer, registered representative of a broker-dealer, futures commission merchant ("FCM"), commodity pool operator ("CPO"), commodity trading advisor ("CTA"), or an associated person of an FCM, CPO, or CTA, we are required to disclose this fact and describe the business relationship, if any, between the advisory business and the other business.

1. If a relationship between the advisory business and Mr. Messick's other financial industry activities creates a material conflict of interest with you, the SEC requires us to describe the nature of the conflict and generally how we address it.

We have nothing to disclose in this regard.

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<sup>1</sup> Note: Our firm may, under certain circumstances, rebut the presumption that a disciplinary event is material. If an event is immaterial, we are not required to disclose it. When we review a legal or disciplinary event involving Mr. Messick to determine whether it is appropriate to rebut the presumption of materiality, we consider all of the following factors: (1) the proximity of Mr. Messick to the advisory function; (2) the nature of the infraction that led to the disciplinary event; (3) the severity of the disciplinary sanction; and (4) the time elapsed since the date of the disciplinary event. If we conclude that the materiality presumption has been overcome, we prepare and maintain a file memorandum of our determination in our records. We follow SEC rule 204-2(a)(14)(iii) and similar state rules.

2. If Mr. Messick receives commissions, bonuses or other compensation based on the sale of securities or other investment products, including as a broker-dealer or registered representative, and including distribution or service (“trail”) fees from the sale of mutual funds, we have to disclose this fact. If this compensation is not cash, we are required to explain what type of compensation he receives. We must explain that this practice gives Mr. Messick an incentive to recommend investment products based on the compensation received, rather than on your needs.

Mr. Messick is a registered representative of Financial Network Investment Corporation (“FNIC”), a FINRA registered broker-dealer, member SIPC member FINRA/SIPC. He may offer securities and receive normal and customary commissions as a result of securities transactions. This presents a conflict of interest to the extent that Mr. Messick recommends that a client invest in a security which results in a commission being paid to him.

- B. If Mr. Messick is actively engaged in any business or occupation for compensation not discussed in response to Item 4.A, above, and the other business activity or activities provide a substantial source of his income or involve a substantial amount of his time, we are required to disclose this fact and must describe the nature of that business. If the other business activities represent less than 10 percent of Mr. Messick’s time and income, we may presume that they are not substantial.

Mr. Messick, in his individual capacity, is also an insurance agent for various insurance companies. As such, he will be able to receive separate, yet customary commission compensation resulting from recommending and implementing insurance product transactions on behalf of advisory clients.

### **Item 5. Additional Compensation**

If someone who is not a client provides an economic benefit to Mr. Messick for providing advisory services, we are required to generally describe the arrangement. For purposes of this Item, economic benefits include sales awards and other prizes, but do not include his regular salary. Any bonus that is based, at least in part, on the number or amount of sales, client referrals, or new accounts should be considered an economic benefit, but other regular bonuses should not.

We have nothing to disclose in this regard.

### **Item 6. Supervision**

We are required to explain how we supervise Mr. Messick, including how we monitor the advice he provides to you. Our firm has to provide the name, title and telephone number of the person responsible for supervising his advisory activities on behalf of our firm.

Karen Burneff is the Chief Compliance Officer of Quantum Econometrics, LLC and as such supervises and monitors Mr. Messick's activities to ensure compliance with our firm's Code of Ethics. Please contact Ms. Burneff if you have any questions about Mr. Messick's brochure supplement at (562) 945-7787.

### **Item 7. Requirements for State-Registered Advisers**

A. In addition to the events listed in Item 3 of Part 2B, if Mr. Messick has been involved in one of the events listed below, we disclose all material facts regarding the event.

1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:

- (a) an investment or an investment-related business or activity;
- (b) fraud, false statement(s), or omissions;
- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair, or unethical practices.

We have nothing to disclose in this regard.

2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:

- (a) an investment or an investment-related business or activity;
- (b) fraud, false statement(s), or omissions;
- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair, or unethical practices.

We have nothing to disclose in this regard.

B. If Mr. Messick has been the subject of a bankruptcy petition, we must disclose that fact, the date the petition was first brought, and the current status.

We have nothing to disclose in this regard.