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## Item 1 – Cover Page

E.A. Horwitz LLC  
2610 Lake Cook Road  
Suite 190  
Riverwoods, IL 60048  
224-632-4600  
November 1, 2012

This Brochure provides information about the qualifications and business practices of E. A. Horwitz LLC Investment Advisor. If you have any questions about the contents of this Brochure, please contact us at 224-632-4600. 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.

E. A. Horwitz LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser are intended to provide you with information about which you determine to hire or retain an Adviser.

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## Item 2 – Material Changes

E. A. Horwitz LLC is a newly formed Investment Adviser. Edward A. Horwitz , as General Manager, has been a financial representative since 1991 and an investment adviser representative since 1995.

Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 90 days of the close of our business' fiscal year, which is December 31. We may further provide other ongoing disclosure information about material changes as necessary.

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

The SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) maintains information about E. A. Horwitz LLC or any persons affiliated and required to be registered, as an investment adviser representative.

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## Item 4 – Advisory Business

### E. A. Horwitz LLC Investment Management

Established in 2012, Edward A. Horwitz with over 17 years of investment and advisory experience, is the manager of E. A. Horwitz LLC. E. A. Horwitz LLC provides investment advice and portfolio management services on a continuing basis - including an appropriate allocation of managed assets among cash money market funds, equities, and bonds - with the selection of specific securities, which will provide proper diversification and help meet the client's stated investment objectives.

These services include the evaluation, design, construction, implementation, and monitoring of investment portfolios. Assets are allocated among appropriate investment categories in accordance with the client's financial objectives, liquidity constraints, expected time horizon, risk tolerance, and tax considerations as well as prevailing economic conditions and any other relevant factors. Existing assets are evaluated and appropriate hold or sell recommendations are made.

The advisory maintains a Limited Power of Attorney and/or Trading Authority for all discretionary accounts for the purposes of directing and/or otherwise effecting investments on behalf of the managed account as well as for the direct payment for fees and/or payment of commissions, custodial fees and/or other charges incurred by the managed account.

Clients receive consolidated reports periodically (monthly, quarterly, or annually, depending on client's preference) that illustrate investment performance, current market values, and asset allocation. Clients may also receive upon request monthly, quarterly, semi-annual or annual personal review of their portfolio.

E. A. Horwitz LLC also offers comprehensive fee-based financial planning. The planning process involves six steps:

- Identifying and Prioritizing Objectives
- Gathering Information
- Analyzing Information
- Developing a Plan which includes Proposing Recommendations
- Implementing the Plan
- Tracking Plan Progress

## Item 5 – Fees and Compensation

Fees for ongoing portfolio monitoring are generated based on annualized percentage range of 0.25% to 2.0% of portfolio assets. Fees are calculated and assessed on a quarterly basis by multiplying the assets under management by the applicable percent and dividing such product by four (4). The extent of monitoring services and all fees are agreed upon in writing prior to engagement. Monitoring fees are payable quarterly, 20 days into the quarter; and such fees may be deducted from a client's account(s) or billed to the client at their request. All fees may be negotiable under certain circumstances. Monitoring services may be terminated by either party at any time and for any reason.

Any unearned fees are refunded on a pro-rata basis less reasonable startup costs.

Investment portfolios are monitored and re-evaluated on a regular basis. Asset allocation is maintained through re-balancing or adjusted as needed based on changes in client's objectives or prevailing economic conditions. Recommendations are made for placement of new funds as they become available.

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Clients may also be charged brokerage costs, which are explained in Item 12. Investment Advisor representatives may also receive compensation from purchase and sale of securities and other investment products, including asset-based sales charges or service fees from the sales of investment company products.

The relationship between the parties may be terminated by either party upon 30 days written notice. Notwithstanding the above, if the appropriate disclosure statement was not delivered to the client at least 48 hours prior to the client entering into any written or oral advisory contract with this investment adviser, then the client has the right to terminate the contract, without a penalty, within five (5) business days after entering into the contract.

Charges for fee-based financial planning range from \$500-\$2,000, depending on the complexity of the case.

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

E.A. Horwitz LLC does not charge performance-based fees.

## **Item 7 – Types of Clients**

E.A. Horwitz LLC may provide portfolio management services to individuals, high net worth individuals, trusts, corporate pension and profit-sharing plans, Taft-Hartley plans, charitable institutions, foundations, endowments, municipalities, banking institutions, registered mutual funds, private investment funds, trust programs, and other institutions.

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

E. A. Horwitz LLC may use Charting, as well as Fundamental, Technical and Cyclical analysis. Investing in securities involves risk of loss that clients should be prepared to bear.

E.A. Horwitz LLC runs two portfolios: Growth Portfolio and Conservative Portfolio

E. A. Horwitz LLC designs Growth Portfolios for investors who are willing to take on risk to achieve a potentially higher rate of return, by diversifying into companies that are considered in the forefront of their industry. The portfolio is comprised of a mixture between stocks, bonds, cash or money market funds. A typical portfolio may have a high-percentage of weight in stocks depending on the client's risk tolerance, market conditions, and other factors. When appropriate, covered call options are written on the equities in the portfolio and other put and call option strategies may be utilized. Our focus and area of expertise is in community bank and financial stocks. The remainder of the equity portion is invested in companies with historically consistent earnings growth in expanding industries. The focus of the equity portion is on companies that have a unique "niche" and/or have market leadership. A portion of the portfolio may be comprised of high-grade and/or situational bonds.

E. A. Horwitz LLC designs Conservative Portfolios structured for investors desiring a goal for preservation of capital with relatively lower risk. The portfolio is comprised of a mixture between stocks, bonds, cash or money market funds. A typical portfolio is balanced between stocks and bonds based on a client's risk tolerance, market conditions, and other factors. When appropriate, covered call options are written on the equities in the portfolio. Our focus and area of expertise is in community bank and financial stocks. The remainder of the equity portion is invested in companies with historically consistent earnings growth and dividends; the fixed income portion of the portfolio may be comprised of high-grade and/or situational bonds.

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### **Investing for the Long Term**

At E. A. Horwitz LLC, our focus is always on you, the investor. We believe in the creation and growth of long-term relationships. And our approach to investing uses that same perspective.

#### **E. A. Horwitz Rules of Investing:**

- Buy and hold good stocks and quality bonds
- Use options to mitigate risk
- Do the research to uncover hidden opportunities
- Rigorously analyze and discern the “big picture”
- Assess each investment’s potential for growth and/or income, overall impact on portfolio risk, and possible tax consequence
- Continuity and commitment to our strategy
- Maintain a long-term perspective
- Keep costs among the lowest and provide best-in-class wealth management services

A significant part of our strategy may involve covered call writing. A covered call is a financial market transaction in which the seller of call options owns the corresponding amount of the underlying instrument, such as shares of a stock or other securities. Writing a call generates income in the form of the premium paid by the option buyer. If the stock price remains stable or increases, then the writer will be able to keep this income as a profit, although the profit may have been higher if no call were written. The risk of stock ownership is not eliminated. If the stock price declines, then the net position will likely lose money.

#### **Risk of Loss**

All investment programs have certain risks that are borne by the investor. Investing in securities involves a certain amount of risk of loss that clients should be prepared to bear. Where short term trading methods are employed, the cost of more frequent trades can often incur more expense than that of a more conservative or long term purchase approach.

Questions regarding these risks and/or increased costs may be directed to the firm.

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## Item 9 – Disciplinary Information

E. A. Horwitz LLC has no information applicable to this Item.

## Item 10 – Other Financial Industry Activities and Affiliations

Edward A. Horwitz is a Registered Representative and Registered Principal with Horwitz & Associates, Inc., a Broker-Dealer registered with the Financial Industry Regulatory Authority. At the current time, Edward A. Horwitz, is also an investment adviser for Horwitz & Associates, Inc. He maintains active licenses to sell securities and receives commission for securities sold to clients. When clients purchase securities through Horwitz & Associates, Inc, this compensation creates conflicts of interest which clients should consider when engaging our services. Clients may always choose a different securities brokerage firm to implement our advice.

**Sale of Other Products and Services** – Edward A. Horwitz is a licensed insurance broker, and as such, does on occasion sell insurance products to the clients of E.A. Horwitz LLC.

## Item 11 – Code of Ethics

Our Code of Ethics establishes ideals for ethical conduct based upon fundamental principles of openness, integrity, honesty and trust. We will provide a written copy of our Code of Ethics to any client or prospective client upon request.

## Item 12 – Brokerage Practices

E. A. Horwitz LLC does not participate in any soft dollar arrangements with any broker dealer in connection with client securities transactions.

E.A. Horwitz LLC will supervise and direct the investments of the client accounts subject to such limitations as the client may impose in writing. E.A. Horwitz LLC as agent and attorney-in-fact with respect to the client's account, without prior consultation with the client, may place orders for the execution of such securities transactions with Horwitz & Associates or other third party broker/dealers. E. A. Horwitz will allocate brokerage transactions in a manner it believes to be fair and responsible to its clients, and consistent with client objectives. Adhering to a strict formula will not be practicable given the variation in client objectives and guidelines.

E.A. Horwitz LLC may place orders for the execution of transactions with JPMorgan Clearing Corp., Apex Clearing, Charles Schwab & Co., Inc. or E.A. Horwitz may select another broker/dealer, and while complying with Section 28(e) of the Securities Exchange Act of 1934. E.A. Horwitz LLC suggests that its clients utilize Horwitz & Associates, Inc. whereby Horwitz clears securities transactions on a fully disclosed basis through J. P. Morgan Clearing Corp. and Apex Clearing as an introducing broker. Further, JPMorgan Clearing Corp. Apex, and Charles Schwab & Co. hold all customer funds and/or securities on behalf of Horwitz & Associates brokerage customers for purposes of the Securities Investor Protection Act. Any research and recommendations provided by the executing and clearing broker is used to service all accounts.

## Item 13 – Review of Accounts

E.A. Horwitz LLC., as investment advisor, reviews all investment advisory accounts. Changes in market prices, interest rates, news stories, earning reports, etc., that are deemed to have an effect on a client account would initiate a review of the account. All investment advisory accounts are reviewed at least monthly by Edward A. Horwitz.

Clients receive statements from the custodian of assets at least quarterly, or monthly, if there is activity in the account. (See Item 15 on Custody) Clients may give written request to receive their statements and trade confirmations electronically from the custodian.

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

E. A. Horwitz LLC does not have any arrangements, oral or in writing, where it is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients.

E. A. Horwitz LLC does not directly or indirectly compensates any person for client referrals.



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## **Item 15 – Custody**

All investment advisory clients receive at least one report per month that details transactions, lists all security positions, realized and unrealized gains or losses. Clients receive various performance data quarterly. These reports enable the client to review and audit the performance of their investment advisory account. Clients receive consolidated reports from Horwitz monthly, quarterly, or annually (depending on client's preference) that illustrate investment performance, current market values, and asset allocation. Clients will also receive statements at least quarterly from: Apex Clearing, JPMorgan Clearing Corp., and/or Charles Schwab & Co. In addition, clients have the ability to access their account information online at any time.

E.A. Horwitz LLC urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, pricing sources, or valuation methodologies of certain securities.

## **Item 16 – Investment Discretion**

E.A. Horwitz LLC maintains discretionary authority over the selection and amount of securities to be bought or sold in client accounts without obtaining prior consent of approval from the client.

A limited power of attorney is a trading authorization for this purpose. A limited power of attorney is required so that we may execute the trades that you have approved. Limitations to our authority are fully disclosed in our Advisory agreement provided to you prior to your participation. We make only those investment decisions that are suitable for each client.

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

As a matter of firm policy and practice, E. A. Horwitz LLC does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios.

## **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about its financial condition. There is no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

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## Part 2B of Form ADV: Brochure Supplement

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## **BROCHURE SUPPLEMENT - Education and Business Background BROCHURE SUPPLEMENT - Education and Business Background Edward A. Horwitz**

**Born:** 1968

### **Education:**

BS Finance, University of Nevada, Las Vegas, 1991

University of Pennsylvania – SIA Institute - Wharton School, 2001

DePaul University, Chicago – CFP Program, 2002

### **Business Experience:**

Edward A. Horwitz is presently President and a Branch Manager of Horwitz & Associates, Inc., a full service Broker-Dealer serving customers for over 40 years. He is a Financial Advisor with a proven record of service and accomplishments including: Corporate and Individual Investment Services, Estate Planning, College and Retirement Planning, all customized to the appropriate and specific needs of the Individual and Corporate Client. He maintains approximately 400 customer accounts and 4,000 firm accounts. Ed has mastered the use of Options as an investment tool and works in conjunction with other professionals and Financial Advisors. In addition, he is active in training Registered Representatives and Administrative personnel, runs the firm's Bond Trading Desk, and is actively involved with outside Market Makers to receive the best trade prices possible for clients.

He has had related career experience as an Assistant Financial Planner at IDS/American Express in Las Vegas, NV and a Series 6 Exam Instructor at ABRI in Skokie, IL.

1991 - Present, Horwitz & Associates, Inc.

President and Director

1991 to 1997 National Aircraft Carriers Association

Part time airline operations, O'Hare Airport

1988-1991 America West Airlines, Las Vegas,

Flight Operations

### **Financial Industry Regulatory Authority (FINRA)**

District 8 Committee Member 2008 - 2012

Series 7 Writing Committee Member 2010-present

FINRA Industry Arbitrator 2008-present

IL/SIFMA - present

2008-present DeNovo Bank, Deer Park, IL, Director

Board Member, Children's Heart Foundation, Lincolnshire, IL

Chapter Advisor, SAE, IL-PO Northwestern University

### **Active FINRA Licenses:**

Series 4 – Option Principal

Series 7 – General Securities Representative

Series 24 – General Securities Principal

Series 27/28 – Broker/Dealer Financial Operations Principal

Series 55–Equity Trader

Series 63– Uniform Securities Agent State Law

Series 65 – Uniform Investment Adviser Law Exam

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Series 79 – Investment Banking principal  
Series 99 – Operations Professional

Insurance Licenses: Life/Health/Variable Life

CFA – Chartered Financial Analyst candidate  
CFP – Certified Financial Planner candidate  
Private Pilot

