

**Form ADV Part 2A Disclosure Brochure**

**Item 1 – Cover Page**

**Peter Pesic & Co. Advisors**

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Date of Disclosure Brochure: November 2012

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This disclosure brochure provides information about the qualifications and business practices of Peter Pesic & Co. Advisors (also referred to as Peter Pesic & Co. Advisors throughout this disclosure brochure). If you have any questions about the contents of this disclosure brochure, please contact Peter N. Pesic at Ph: 416-579-1515 or E-mail: PeterNPesic@aol.com. The information in this disclosure brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Peter Pesic & Co. Advisors is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view our firm's information on this website by searching for Peter Pesic & Co. Advisors or our firm's CRD number 166198.

\*Registration as an investment adviser does not imply a certain level of skill or training.

## **Item 2 – Material Changes**

Peter Pesic & Co. Advisors is a newly registered investment adviser, and this disclosure brochure dated November 2012 is the first disclosure brochure prepared by the firm. In the future, this item will discuss only specific material changes that are made to the disclosure brochure and provide readers with a summary of such changes. Peter Pesic & Co. Advisors will also reference the date of the last annual update of this disclosure brochure.

Peter Pesic & Co. Advisors will ensure that you receive a summary of any material changes to this and subsequent disclosure brochures within 120 days after the firm's fiscal year ends. Our firm's fiscal year ends on September 30th, so you will receive the summary of material changes no later than January 28th each year. At that time Peter Pesic & Co. Advisors will also offer or provide a copy of the most current version of this disclosure brochure. Peter Pesic & Co. Advisors may also provide other ongoing disclosure information about material changes as necessary.

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## **Item 4 – Advisory Business**

Peter Pesic & Co. Advisors is an investment adviser registered with the United States Securities and Exchange Commission (“SEC”) and is a sole proprietorship formed under the laws of the Province of Ontario, CANADA.

- Peter N. Pesic is the Chief Compliance Officer (CCO) and is the sole proprietor that owns Peter Pesic & Co. Advisors.
- Peter Pesic & Co. Advisors filed its initial application to become registered as an investment adviser in November 2012.

### **Introduction**

The investment advisory services of Peter Pesic & Co. Advisors are provided to you by appropriately licensed and qualified individuals who will be registered as investment adviser representatives if such individual works from a state in the United States that requires such registration for the solicitation of investment advisory services.

The investment advisory services of Peter Pesic & Co. Advisors are limited to the referral of advisory clients to other investment advisors. Any investment advisory fees received by Peter Pesic & Co. Advisors will be consistent with the descriptions detailed in this disclosure brochure. Since the services of Peter Pesic & Co. Advisors are limited to making referrals, Peter Pesic & Co. Advisors will not require the introduced client to have a services agreement with Peter Pesic & Co. Advisors. However, Peter Pesic & Co. Advisors will provide client with a Solicitor Disclosure Statement providing details about the referral arrangement with the referred investment adviser firm. It is expected that each client will execute an advisory services agreement directly with the investment adviser firm to which the client has been referred by Peter Pesic & Co. Advisors and that advisory services agreement will specify the advisory services and fees that the client will be charged by the referred investment adviser firm.

### **Description of Advisory Services**

**Referral of Other Investment Advisors** - Peter Pesic & Co. Advisors offers advisory services by referring clients to selected third-party investment advisors that offer asset management and other investment advisory services. Under limited circumstances, Peter Pesic & Co. Advisors may be available to act as the communication conduit between you and the third-party investment advisor. The third-party investment advisor is responsible for providing investment advisory services to you pursuant to the terms of an advisory services agreement you will execute directly with the third-party investment advisor. The advisory services of the third-party investment advisor will typically include asset management services that involve the investment advisor’s provision of continuous monitoring of your accounts and the implementation of trades in your accounts. You may grant the third-party investment advisor discretionary authority to determine the securities to be purchased and sold for your account. Peter Pesic & Co. Advisors does not have any trading authority with respect to your designated account(s) that are referred for asset management services by the third-party investment advisor.

As a result of the referral of client accounts to a third-party investment advisor, Peter Pesic & Co. Advisors is paid a solicitor fee, which is a portion of the total fee charged to you and collected by the third-party investment advisor. The referral arrangement is also commonly known as a solicitation arrangement. Each solicitation arrangement is performed pursuant to a written solicitation agreement

between Peter Pesic & Co. Advisors and the third-party investment advisor and is in compliance with SEC Rule 206(4)-3 and applicable state securities rules and regulations.

Although Peter Pesic & Co. Advisors reviews the performance of numerous third-party investment advisor firms, Peter Pesic & Co. Advisors enters into only a select number of relationships with third-party investment advisor firms that have agreed to pay Peter Pesic & Co. Advisors a portion of the total advisory services fee charged to clients. Therefore, Peter Pesic & Co. Advisors has a conflict of interest in that Peter Pesic & Co. Advisors will only recommend third-party investment advisors that will agree to compensate Peter Pesic & Co. Advisors for referrals of clients. Additionally, Peter Pesic & Co. Advisors will only refer clients to third-party investment advisors that have met the conditions of a due diligence review conducted by or on behalf of Peter Pesic & Co. Advisors.

You should be aware that there may be other third-party investment advisors that provide asset management and other investment advisory services and such other third-party investment advisors are not recommended by Peter Pesic & Co. Advisors. Certain of those other third-party investment advisors offer investment advisory services that would be suitable for your accounts and that may be more or less costly than the investment advisory service arrangements recommended by Peter Pesic & Co. Advisors. No guarantees can be made that your financial goals or objectives will be achieved by a third-party investment advisor recommended by Peter Pesic & Co. Advisors. Further, no guarantees of performance can ever be offered by Peter Pesic & Co. Advisors.

#### **Specialization; Limits Advice**

As described above, Peter Pesic & Co. Advisors limits its advisory service activities to the referral of advisory clients to third-party investment advisors. Peter Pesic & Co. Advisors does not provide clients with investment advice on any particular types of investments.

#### **No Client Assets Managed by Peter Pesic & Co. Advisors**

Peter Pesic & Co. Advisors does not provide asset management services and consequently, has no assets under management.

### **Item 5 – Fees and Compensation**

#### **Third-Party Investment Advisors**

Third-party investment advisors generally have account minimum requirements that will vary among the third-party investment advisors. Account minimums are typically higher on fixed income accounts than for equity based accounts. A complete description of the third-party investment advisor's services, fee schedules and account minimums will be disclosed in the third-party investment advisor's Form ADV Part 2A Disclosure Brochure, which will be provided to you prior to or at the time an agreement for services is executed and the account is established with the third-party investment advisor.

The actual fee charged to you will vary depending on the third-party investment advisor. All fees are calculated and collected by the third-party investment advisor who will be responsible for delivering Peter Pesic & Co. Advisors' portion of the fee paid by you to Peter Pesic & Co. Advisors.

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

Performance-based fees are defined as fees that are based on a share of capital gains on or capital appreciation of the assets held in a client's account. Peter Pesic & Co. Advisors does not charge or accept performance-based fees.

## **Item 7 – Types of Clients**

Peter Pesic & Co. Advisors generally will refer the following types of clients to third-party investment advisors:

- Individuals
- High net worth individuals
- Pension and profit sharing plans
- Other pooled investment companies (e.g. hedge funds)
- Trusts, estates, or charitable organizations
- Corporations or business entities other than those listed above

Each client will be required to execute a written agreement with the third-party investment advisory specifying the particular investment advisory services to be provided by the third-party investment advisor.

### **Minimum Investment Amounts Required**

Third-party investment advisors may have minimum account and minimum fee requirements in order for clients to participate in their programs. Each third-party investment advisor will disclose its minimum account size and fees in its Form ADV Part 2A Disclosure Brochure.

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

### **Methods of Analysis; Investment Strategies**

Since Peter Pesic & Co. Advisors does not provide individualized investment advice to clients, Peter Pesic & Co. Advisors does not employ particular methods of analysis to formulate investment advice and does not employ investment strategies.

### **Risk of Loss**

Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds, etc.) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. When investing, you should be prepared to bear investment loss including loss of original principal.

## **Item 9 – Disciplinary Information**

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of the business or integrity of Peter Pesic & Co. Advisors.

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

Peter Pesic & Co. Advisors is **not** and does **not** have a related person that is a broker/dealer, municipal securities dealer, government securities dealer or broker, an investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), another investment adviser or financial planner, a futures commission merchant, commodity pool operator, or commodity trading advisor, a banking or thrift institution, an accountant or accounting firm, a lawyer or law firm, an insurance company or agency, a pension consultant, a real estate broker or dealer, and a sponsor or syndicator of limited partnerships.

Peter Pesic & Co. Advisors is an independent registered investment advisor and only provides investment advisory services limited to the referral of clients to third-party investment advisors. Peter Pesic & Co. Advisors is not engaged in any other business activities and offers no services other than those described in this Disclosure Brochure. However, while Peter Pesic & Co. Advisors does not sell products or services other than investment advice through the referral of clients to third-party investment advisors, individuals that are associated with Peter Pesic & Co. Advisors may sell other products or provide services outside of their association with the investment advisor firm Peter Pesic & Co. Advisors.

### **Third-Party Money Managers**

As previously described at *Items 4 and 5* of this disclosure brochure, Peter Pesic & Co. Advisors has developed several arrangements designed to allow Peter Pesic & Co. Advisors to recommend and select third-party investment advisors for you. Once you select a referred third-party investment advisor to manage all or a portion of your assets, the third-party investment advisor will pay Peter Pesic & Co. Advisors a portion of the fees you are charged. Please refer to *Items 4 and 5* for full details regarding the programs, fees, conflicts of interest and materials arrangements when Peter Pesic & Co. Advisors selects third-party investment advisers.

### **EZ Custom Software Solutions, Inc.**

Peter N. Pesic is the Managing Director of EZ Custom Software Solutions, Inc. EZ Custom Software Solutions, Inc. is a provider of stock options software and administrative services. Peter N. Pesic receives compensation for his activities as the Managing Director of EZ Custom Software Solutions, Inc. Many of the clients of EZ Custom Software, Inc. are companies that are domiciled in the United States. One of the administrative services provided by EZ Custom Software Solutions, Inc. is an on-line portal for the underlying clients of the companies that have purchased software or services from EZ Customer Software Solutions. The on-line portal allows the underlying clients to access their employee equity benefits information. Peter Pesic & Co. Advisors anticipates that it may identify certain third-party investment advisor firms with which to set up investment advisory solicitation arrangements as a result of such third-party investment advisor firms doing business with EZ Custom Software Solutions. No client of EZ Custom Software Solutions will be required to establish a solicitation arrangement with Peter Pesic & Co. Advisors, and no third-party investment advisor who has a solicitation arrangement with Peter Pesic & Co. Advisors will be required to do business with EZ Custom Software Solutions.

## **Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading**

### **Code of Ethics Summary**

According to the *Investment Advisers Act of 1940*, an investment adviser is considered a fiduciary and has a fiduciary duty to all clients. Peter Pesic & Co. Advisors has established a Code of Ethics to comply with the requirements of Section 204(A)-1 of the *Investment Advisers Act of 1940* that reflects its fiduciary obligations and those of its supervised persons. The Code of Ethics also requires compliance with federal securities laws. The Code of Ethics covers all individuals that are classified as “supervised persons”. All employees, officers, directors and investment adviser representatives are classified as supervised persons. Peter Pesic & Co. Advisors requires its supervised persons to consistently act in your best interest in all advisory activities. Peter Pesic & Co. Advisors imposes certain requirements on its affiliates and supervised persons to ensure that they meet the firm's fiduciary responsibilities to you. The standard of conduct required is higher than ordinarily required and encountered in commercial business.

This section is intended to provide a summary description of the Code of Ethics of Peter Pesic & Co. Advisors. If you wish to review the Code of Ethics in its entirety, you should send Peter Pesic & Co. Advisors a written request and upon receipt of your request, Peter Pesic & Co. Advisors will promptly provide a copy of the Code of Ethics to you.

### **Affiliate and Employee Personal Securities Transactions Disclosure**

As consistently indicated in this disclosure brochure, Peter Pesic & Co. Advisors limits its investment advisory services to the referral of clients to third-party investment advisors. Peter Pesic & Co. Advisors does not provide individualized investment advice. In the event that Peter Pesic & Co. Advisors were to provide any individualized investment recommendations, then Peter Pesic & Co. Advisors and any associated persons of Peter Pesic & Co. Advisors may not buy or sell for their personal accounts, investment products identical to those recommended to clients. It is the express policy of Peter Pesic & Co. Advisors that all persons associated in any manner with Peter Pesic & Co. Advisors must place clients' interests ahead of their own interests when implementing personal investments. Peter Pesic & Co. Advisors and its associated persons will not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of employment or association with Peter Pesic & Co. Advisors unless the information is also available to the investing public upon reasonable inquiry.

Peter Pesic & Co. Advisors is now and will continue to be in compliance with applicable state and federal rules and regulations. To prevent conflicts of interest, Peter Pesic & Co. Advisors has developed written supervisory procedures that include personal investment and trading policies for our representatives, employees and their immediate family members (collectively, associated persons):

- Associated persons cannot prefer their own interests to that of the client.
- Associated persons cannot purchase or sell any security for their personal accounts prior to implementing transactions for client accounts.
- Associated persons cannot buy or sell securities for their personal accounts when those decisions are based on information obtained as a result of their employment, unless that information is also available to the investing public upon reasonable inquiry.



- Associated persons are prohibited from purchasing or selling securities of companies in which any client is deemed an “insider”.
- Associated persons are discouraged from conducting frequent personal trading.
- Associated persons are generally prohibited from serving as board members of publicly traded companies unless an exception has been granted to the Chief Compliance Officer of Peter Pesic & Co. Advisors.

Any associated person not observing our policies is subject to sanctions up to and including termination.

## **Item 12 – Brokerage Practices**

Peter Pesic & Co. Advisors does not implement investment transactions and does not select or recommend broker-dealers for client transactions.

## **Item 13 – Review of Accounts**

### **Account Reviews and Reviewers; Statements and Reports**

Peter Pesic & Co. Advisors does not review client accounts and does not provide reports to clients regarding the client’s accounts that have been referred by Peter Pesic & Co. Advisors to a third-party investment advisor.

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

Peter Pesic & Co. Advisors does not directly or indirectly compensate any person for client referrals.

The only compensation received by Peter Pesic & Co. Advisors is the portion of the total advisory fee charged to client that is paid to Peter Pesic & Co. Advisors pursuant to the solicitation arrangement established with the third-party investment advisor.

## **Item 15 – Custody**

Peter Pesic & Co. Advisors does **not** have custody of client funds or securities.

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented.

## **Item 16 – Investment Discretion**

Peter Pesic & Co. Advisors does not have discretionary authority to management securities accounts on behalf of clients.

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

### **Proxy Voting**

Peter Pesic & Co. Advisors does not vote proxies on behalf of clients.

You will need to refer to each third-party investment advisor's disclosure brochure to determine whether the third-party investment advisor will vote proxies on your behalf. You may request a complete copy of the third-party investment advisor's proxy voting policies and procedures as well as information on how your proxies were voted by contacting the third-party investment advisor.

### **Class Action Lawsuits**

You retain the right under applicable securities laws to initiate individually a lawsuit or join a class-action lawsuit against the issuer of a security that was held, purchased or sold by or for you. Peter Pesic & Co. Advisors does not initiate such a legal proceeding on behalf of clients and does not provide legal advice to clients regarding potential causes of action against such a security issuer and whether the client should join a class-action lawsuit. Peter Pesic & Co. Advisors recommends that you seek legal counsel prior to making a decision regarding whether to participate in such a class-action lawsuit.

### **Item 18 – Financial Information**

Peter Pesic & Co. Advisors does not require or solicit prepayment of more than \$1200 in fees per client, six months or more in advance. Therefore, Peter Pesic & Co. Advisors is not required to include a balance sheet for the most recent fiscal year. Peter Pesic & Co. Advisors is not subject to a financial condition that is reasonably likely to impair Peter Pesic & Co. Advisors' ability to meet contractual commitments to clients. Finally, Peter Pesic & Co. Advisors has not been the subject of a bankruptcy petition at any time.

### **Item 19 -- Customer Privacy Policy Notice**

**Commitment to Your Private Information:** Peter Pesic & Co. Advisors has a policy of protecting the confidentiality and security information Peter Pesic & Co. Advisors collects about our clients. Peter Pesic & Co. Advisors does not, and will not, share nonpublic personal information about you ("Information") with outside third parties without your consent, except for the specific purposes described below. This notice has been provided to you to describe the Information Peter Pesic & Co. Advisors may gather and the situations under which Peter Pesic & Co. Advisors may need to share it.

**Why We Collect and How We Use Information.** Peter Pesic & Co. Advisors limits the collection and use of Information within Peter Pesic & Co. Advisors to only those individuals associated or employed with Peter Pesic & Co. Advisors that must have Information to provide financial services to you. Such services include maintaining your accounts, processing transaction requests, providing financial planning, financial consultation, and other services described in our Form ADV.

**How We Gather Information.** Peter Pesic & Co. Advisors gets most Information directly from you when you provide Peter Pesic & Co. Advisors with information from any of the following sources:

- Applications or forms (for example: name, address, social security number, birth date, assets, income, financial history)
- Transactional activity in your account (for example: trading history and account balances)
- Information services and consumer reporting sources (for example: to verify your identity or to assess your credit history)

- Other sources with your consent (for example: your insurance professional, attorney, or accountant)

**How We Protect Information.** Employees and affiliated persons of Peter Pesic & Co. Advisors are required to protect the confidentiality of Information and to comply with stated policies. They may access Information only when there is an acceptable reason to do so, such as to service your account or provide you with financial services. Employees who violate our Privacy Policy are subject to disciplinary action, up to and including termination from employment with Peter Pesic & Co. Advisors. Peter Pesic & Co. Advisors also maintains physical, electronic, and procedural safeguards to protect information, which comply with applicable SEC, state, and federal laws.

**Sharing Information with Other Companies Permitted Under Law.** Peter Pesic & Co. Advisors does not disclose Information obtained in the course of our practice except as required or permitted under law. Permitted disclosures include, for instance, providing information to unrelated third parties who need to know such Information in order to assist us with providing services to you. Unrelated third parties may include broker/dealers, mutual fund companies, insurance companies, and the custodian with which your assets are held. In such situations, Peter Pesic & Co. Advisors stresses the confidential nature of information being shared.

**Former Customers.** Even if Peter Pesic & Co. Advisors ceases to provide you with financial products or services, our Privacy Policy will continue to apply to you and Peter Pesic & Co. Advisors will continue to treat your nonpublic information with strict confidentiality.

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