

**Firm Brochure**  
(Part 2A & 2B of SEC Form ADV)  
**March 31<sup>st</sup>, 2013**

## **HERON FINANCIAL GROUP, LLC**

**670 West End Avenue, 14<sup>th</sup> Floor  
New York, NY 10025**

**800 99-HERON or 347-580-5280  
Fax - 347-580-5289  
www.HeronFinancialGroup.com  
DavidEdwards@HeronFinancialGroup.com**

**SECCRD#146012**

This brochure provides information about the qualifications and business practices of Heron Financial Group, LLC (HFG). If you have any questions about the contents of this brochure, please contact David Edwards at 347-580-5281, or by email at [DavidEdwards@HeronFinancialGroup.com](mailto:DavidEdwards@HeronFinancialGroup.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.

HERON FINANCIAL GROUP, LLC is a registered investment advisor. Registration of an Investment Advisor does not imply any level of skill or training. The oral and written communications of an Advisor provide you with information about which you would use for determining whether to hire or retain an Advisor.

Additional information about HFG is available on the SEC's website at <http://www.adviserinfo.sec.gov>



# HERON FINANCIAL GROUP, LLC

## Material Changes

---

### Annual Update

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

---

### Material Changes since the Last Update

The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring advisers to provide a Firm Brochure in narrative “plain English” format. The new final rule specifies mandatory sections and organization.

---

### Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: 800 99-HERON or 347 580-5280 or by email at: [DavidEdwards@HeronFinancialGroup.com](mailto:DavidEdwards@HeronFinancialGroup.com).

# HERON FINANCIAL GROUP, LLC

## Table of Contents

<b>Material Changes</b>	<b>i</b>
Annual Update	i
Material Changes since the Last Update	i
Full Brochure Available	i
<b>Advisory Business</b>	<b>1</b>
Firm Description	1
Principal Owners	1
Types of Advisory Services	2
Tailored Relationships	2
Investment Advisory Agreement	2
Termination of Agreement	3
<b>Fees and Compensation</b>	<b>4</b>
Description	4
Fee Billing	4
Other Fees	4
Expense Ratios	4
Past Due Accounts and Termination of Agreement	4
<b>Performance-Based Fees</b>	<b>5</b>
Sharing of Capital Gains	5
<b>Types of Clients</b>	<b>5</b>
Description	5
Account Minimums	5
<b>Methods of Analysis, Investment Strategies and Risk of Loss</b>	<b>6</b>
Methods of Analysis	6
Investment Strategies	6
Risk of Loss	6
<b>Disciplinary Information</b>	<b>7</b>
Legal and Disciplinary	7

# HERON FINANCIAL GROUP, LLC

<b>Other Financial Industry Activities and Affiliations.....</b>	<b>7</b>
None .....	7
<b>Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....</b>	<b>7</b>
Code of Ethics .....	7
Participation or Interest in Client Transactions.....	8
Personal Trading .....	8
Violations of Law.....	9
<b>Brokerage Practices .....</b>	<b>9</b>
Selecting Brokerage Firms .....	9
Best Execution .....	9
Soft Dollars .....	9
Order Aggregation.....	9
<b>Review of Accounts .....</b>	<b>10</b>
Periodic Reviews.....	10
Review Triggers.....	10
Regular Reports .....	10
<b>Client Referrals and Other Compensation .....</b>	<b>10</b>
Incoming Referrals .....	10
Investment Advisor Representatives .....	10
Referrals Out .....	10
Other Compensation .....	10
<b>Custody .....</b>	<b>11</b>
SEC “Custody” .....	11
Account Statements .....	11
Performance Reports .....	11
Net Worth Statements .....	11
<b>Investment Discretion .....</b>	<b>11</b>
Discretionary Authority for Trading .....	11
Trade Error Policy .....	12
Limited Power of Attorney .....	12
<b>Voting Client Securities.....</b>	<b>12</b>
Proxy Votes .....	12

# HERON FINANCIAL GROUP, LLC

<b>Financial Information .....</b>	<b>12</b>
Financial Condition .....	12
<b>Business Continuity Plan.....</b>	<b>12</b>
General .....	12
Disasters.....	12
Alternate Offices .....	13
<b>Information Security Program .....</b>	<b>13</b>
Information Security .....	13
Privacy Notice .....	13
<b>Key Employee Biographical Information.....</b>	<b>15</b>
Education and Business Standards.....	15
Professional Certifications.....	15
<b>DAVID EDWARDS, President &amp; Wealth Advisor .....</b>	<b>17</b>
<b>LUCAS DOE, Portfolio Manager .....</b>	<b>18</b>

# HERON FINANCIAL GROUP, LLC

## Advisory Business

---

### Firm Description

Heron Financial Group, LLC (HFG) was founded in 2007 and is the successor business to Heron Capital Management, Inc., founded in 1993.

HFG provides personalized confidential financial planning and investment management to individuals and families, pension and profit sharing plans, trusts, estates, charitable organizations and small businesses. Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, divorce planning and estate planning.

HFG was organized as a limited liability company under the laws of the State of New York in June 2007 and has offices in New York, New York. HFG registered as an investment advisor with United States Securities and Exchange Commission.

HFG is strictly a fee-only financial planning and investment management firm. The firm does not receive commissions for purchasing or selling annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The firm is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted.

Investment advice is an integral part of financial planning. In addition, HFG advises clients regarding cash flow, college planning, retirement planning, tax planning and estate planning. HFG does not act as a custodian of client assets. The client always maintains asset control. HFG places trades for clients under a limited power of attorney.

A written evaluation of each client's initial situation is provided to the client. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

The initial meeting, which may be by telephone or in person, is free of charge and is considered an exploratory interview to determine the extent to which financial planning and investment management may be beneficial to the client.

---

### Principal Owners

David Edwards, President, is a 100% stockholder.

# HERON FINANCIAL GROUP, LLC

---

## **Types of Advisory Services**

HFG provides investment supervisory services, also known as asset management services; manages investment advisory accounts not involving investment supervisory services; furnishes investment advice through consultations; issues periodicals about securities by subscription; issues special reports about securities; and issues, charts, graphs, formulas, or other devices which clients may use to evaluate securities.

On more than an occasional basis, HFG furnishes advice to clients on matters not involving securities, such as financial planning matters, taxation issues, and trust services that often include estate planning.

As of March 31<sup>st</sup>, 2013, HFG managed approximately \$82 million in assets for approximately 85 clients. Approximately \$80 million is managed on a discretionary basis, and \$2 million is managed on a non-discretionary basis.

---

## **Tailored Relationships**

The goals and objectives for each client are documented in our client relationship management system. Investment policy statements are created that reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without client consent.

---

## **Investment Advisory Agreement**

Most clients choose HFG to manage their assets to obtain ongoing in-depth advice and life planning. All aspects of the client's financial affairs are reviewed, including those of their children & grandchildren. Realistic and measurable goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis.

The scope of work and fee for an Investment Advisory Agreement is provided to the client in writing prior to the start of the relationship. An Investment Advisory Agreement includes: cash flow management; insurance review; investment management (including performance reporting); education planning; retirement planning; estate planning; and tax preparation, as well as the implementation of recommendations within each area.

Clients invested in the "separately managed accounts" program generally pay a management fee equal to 1% on an annualized basis with respect to the first \$2 million in assets under management in a client account and pay a management fee equal to 0.75% on an annualized basis with respect to assets under management in a client account that exceed \$2 million.

Clients invested primarily in mutual funds or exchange traded funds generally pay a management fee equal to 0.75% on an annualized basis.

Clients invested in the "manager of managers" program generally pay a management fee equal to 0.50% on an annualized basis.

# HERON FINANCIAL GROUP, LLC

HFG fees may be negotiated based on the size and type of investments involved. A variance in fees may be appropriate in cases in which a client requests special account structures or has atypical objectives. HFG reserves the right to change, reduce, or waive our fees in our discretion and to increase or decrease the minimum account size that we accept.

Some client accounts may include exchange traded funds and mutual funds to assist in providing overall liquidity. These funds may charge management fees and expenses in addition to the fees that we charge.

HFG charges fees monthly in arrears. We compute our fees based on the market value of the securities in the account or, in the absence of a readily ascertainable market value, based on the fair value of the securities in the account as we determine fair value in good faith. Marketable securities are marked to market as of 4PM on the last business day of the month.

The minimum annual fee is \$1,000 and is not negotiable. Current client relationships may exist where the fees are higher or lower than the fee schedule above.

Although the Investment Advisory Agreement is an ongoing agreement and constant adjustments are required, the length of service to the client is at the client's discretion. The client or the investment manager may terminate an Agreement by written notice to the other party. At termination, fees will be billed on a pro rata basis for the portion of the month completed. The portfolio value at the completion of the prior full billing month is used as the basis for the fee computation, adjusted for the number of days during the billing month prior to termination.

Investments may include: equities (stocks), warrants, corporate debt securities, commercial paper, certificates of deposit, US government securities, municipal securities, investment company securities (variable life insurance, variable annuities, and mutual funds shares), options contracts, futures contracts, and interests in partnerships.

Initial public offerings (IPOs) are not available through HFG.

Stocks, bonds, options and exchange traded funds may be purchased or sold through a brokerage account at a custodian when appropriate. The custodian charges a fee for stock, bond trades, options and exchange traded fund trades

Mutual funds and may be purchased or sold through a brokerage account at a custodian when appropriate. When available, HFG will always choose the no-load, no-transaction fee class of shares. The custodian may charge a fee for certain mutual fund trades for which there is no no-load or no-transaction fee option.

HFG does not receive any compensation, in any form, from either the custodian or from fund companies.

---

## **Termination of Agreement**

A Client may terminate any of the aforementioned agreements at any time by notifying HFG in writing and paying the rate for the time spent on the investment



# HERON FINANCIAL GROUP, LLC

advisory engagement prior to notification of termination. If the client made an advance payment, HFG will refund any unearned portion of the advance payment.

HFG may terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, HFG will refund any unearned portion of the advance payment.

## Fees and Compensation

---

### Description

HFG bases its fees on a percentage of assets under management.

---

### Fee Billing

Investment management fees are billed monthly in arrears, meaning that we invoice you after the monthly period has ended. Payment in full is expected upon invoice presentation. Fees are usually deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account.

---

### Other Fees

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

HFG, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

New Investment Advisory Agreement fees are calculated on a formula basis and adjusted for complexity of individual situations.

---

### Expense Ratios

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by you to HFG.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

---

### Past Due Accounts and Termination of Agreement

HFG reserves the right to stop work on any account that is more than 60 days overdue. In addition, HFG reserves the right to terminate any financial planning

# HERON FINANCIAL GROUP, LLC

engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in HFG's judgment, to providing proper financial advice. Any unused portion of fees collected in advance will be refunded within 10 days.

## Performance-Based Fees

---

### Sharing of Capital Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

HFG does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry too high a degree of risk to the client.

## Types of Clients

---

### Description

HFG generally provides investment advice to individuals and families, pension and profit sharing plans, trusts, estates, charitable organizations and small businesses. Client relationships vary in scope and length of service.

---

### Account Minimums

The minimum account size is \$500,000 of assets under management for accounts invested primarily in mutual funds and exchanged traded funds.

The minimum account size is \$500,000 of assets under management for accounts invested primarily our "separately managed accounts" program.

The minimum account size is \$5,000,000 of assets under management for accounts invested primarily our "manager of managers" program.

HFG has the discretion to waive the account minimum. Accounts of less than the minimums described above may be set up when the client and the advisor anticipate the client will add additional funds to the accounts bringing the total to the minimum within a reasonable time. Other exceptions will apply to employees of HFG and their relatives, or relatives of existing clients.

Clients receiving ongoing asset management services will be assessed a \$1,000 minimum annual fee. Clients with assets below the minimum account size may pay a higher percentage rate on their annual fees than the fees paid by clients with greater assets under management.

# HERON FINANCIAL GROUP, LLC

## Methods of Analysis, Investment Strategies and Risk of Loss

---

### Methods of Analysis

We use information, reports, and data from various sources, but the investment decisions that we make on behalf of our clients are based primarily on our own internal research and analysis, as well as the experience of our key personnel. In addition, we may obtain research information from third parties, including published reports of companies and other issuers, general economic data, and governmental publications and data compilations.

---

### Investment Strategies

Our investment strategy includes the objective of a broad degree of issuer diversification for client accounts that are primarily invested in equity securities. Generally, these clients authorize us to invest their assets primarily in publicly traded securities and shares of mutual funds and money-market funds. Our clients may authorize us to invest their assets in, among other things, common stock, preferred stock, partnership interests, limited liability company interests, debt securities, and municipal securities.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time.

---

### Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.

# HERON FINANCIAL GROUP, LLC

- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

## **Disciplinary Information**

---

### **Legal and Disciplinary**

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

## **Other Financial Industry Activities and Affiliations**

---

None

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

---

### **Code of Ethics**

HFG has a written code of ethics that requires us and our personnel to comply fully with all applicable laws, including applicable federal securities laws, in conducting investment advisory services and related activities. Our chief compliance officer is responsible for overseeing adherence to the code of ethics. The code of ethics is based on the principle that we have a fiduciary obligation to our clients. In this fiduciary capacity, we must place the interest of our clients before our own interest and the interests of persons and entities that may be related to us. We seek to avoid conflicts of interest with our clients and will take appropriate steps consistent with our code of ethics to resolve any conflicts of interest that may arise. We provide a copy of our code of ethics to any client or prospective client upon request.

# HERON FINANCIAL GROUP, LLC

Our code of ethics and other compliance procedures establish policies and procedures in a number of areas, including the treatment of confidential proprietary information, recordkeeping, conflicts of interest, and personal securities transactions.

---

## **Participation or Interest in Client Transactions**

We permit our supervised persons to purchase and sell securities for their personal accounts and for the accounts of certain persons and entities related to them, so long as they are in compliance with our code of ethics. These securities may be among those recommended to our clients. Duplicate records of these transactions are kept at our offices. We order client and personal transactions in accordance with the following principles:

We generally order the investments of accounts from those with the highest percentage of cash to those with the lowest percentage of cash, regardless of whether the account is a client account or a personal account.

We may aggregate personal transactions with client transactions, in which case all transactions will receive the same price average price.

There are exceptions to the general ordering on the basis of cash levels. For example, when we make sales in order to realize tax losses, we focus on those accounts with the greatest net realized capital gains during a year. We may make rebalancing trades if we believe that a client account has drifted significantly from its target allocations. We may initiate trades upon completing an account review with a client in person or by telephone.

Time stamps or order ticket data are used to verify the sequence of transactions.

Our code of ethics requires that our supervised persons obtain clearance in advance from our chief compliance officer with respect to securities offered in an initial public offering or in a private placement of securities. These private placements may involve the securities of private hedge funds and private equity funds. Our code of ethics also requires our personnel to disclose their reportable personal securities holdings, to provide duplicate copies of confirmations and monthly account statements, and to alert our compliance officer to any changes in their securities accounts. In addition, we have a written insider trading policy that is designed to prevent the improper use of material nonpublic information.

---

## **Personal Trading**

The Chief Compliance Officer of HFG is David Edwards. He reviews all employee trades on a daily basis. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment. Employee trades are of a size unlikely to affect the securities markets.

# HERON FINANCIAL GROUP, LLC

---

## **Violations of Law**

Our code of ethics requires us to administer discipline in order to maintain the quality of service that we provide to clients by encouraging legal and appropriate behavior and by deterring illegal and inappropriate behavior. Disciplinary actions may include a written warning, fines, suspension of employment, and termination of employment.

## **Brokerage Practices**

---

### **Selecting Brokerage Firms**

We generally have full discretion and authority over our client accounts, including the authority to select a broker-dealer to execute a particular transaction and to negotiate the rate of commission payable for these services. Sometimes, a client may limit our discretion authority with respect to investment activities and broker-dealer placement. In these cases, we may be unable to negotiate commissions or to obtain best execution. Unless otherwise directed by a client, we limit the broker-dealers that we use to those that we believe will result in the best execution for our client. In some cases, federal and state laws (such as the Employee Retirement Income Security Act of 1974) may limit or restrict our selection of broker-dealers and investment types.

HFG does not receive fees or commissions from any of these arrangements.

---

### **Best Execution**

HFG reviews the execution of trades at each custodian annually. The review is documented in the HFG *Compliance Manual*. Trading fees charged by the custodians is also reviewed annually.

---

### **Soft Dollars**

HFG does not participate in “soft-dollar” arrangements, and we do not direct commission business to any broker-dealer in exchange for products and services.

---

### **Order Aggregation**

HFG may aggregate for block execution multiple orders for the purchase and sale of the same security on behalf of several clients. Securities purchased in an aggregated order receive the average price obtained on the order. When aggregating transactions for block execution, we make a good-faith determination that the participating accounts will benefit from the aggregation, that aggregation is consistent with our duty to seek best execution for our clients, and that aggregation is permitted by the investment management agreement between us and each client whose account participates in the aggregation.

# HERON FINANCIAL GROUP, LLC

## Review of Accounts

---

### Periodic Reviews

Account reviews are performed at least annually. Account reviews are performed more frequently when market conditions dictate.

---

### Review Triggers

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

---

### Regular Reports

Account reviewers are members of the firm's Investment Committee. They are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

Clients receive periodic communications on at least a monthly basis. The written updates may include a net worth statement, portfolio statement and/or a summary of objectives and progress towards meeting those objectives.

## Client Referrals and Other Compensation

---

### Incoming Referrals

HFG has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

---

### Investment Advisor Representatives

HFG has written compensation arrangements with several unaffiliated parties for the referral of prospective clients. Clients do not bear additional costs or expenses as a result of these arrangements. The nature of any referral arrangement is fully disclosed to the client.

---

### Referrals Out

HFG does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

---

### Other Compensation

None.

# HERON FINANCIAL GROUP, LLC

## Custody

---

### SEC “Custody”

The SEC may deem that a firm has “custody” of certain types of accounts, such as when an employee acts as a trustee of an unrelated trust and the firm acts as the investment adviser to that trust. When the firm has such custody, an annual surprise audit of those custodied accounts is performed by an independent CPA firm in compliance with SEC requirements.

At this time, HFG has no relationships which would trigger the “Custody” rule.

---

### Account Statements

Each client receives a monthly report from the account custodian that summarizes the cash and securities positions marked to market as of the close of the month. In addition, each client receives a monthly report from Heron listing assets at cost and marked to market as of 4PM on the last business day of the month. Each client is provided with a calculation of total return and a calculation of the total return of standard benchmarks.

---

### Performance Reports

Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by HFG.

---

### Net Worth Statements

Clients are frequently provided net worth statements and net worth graphs that are generated from our client relationship management system. Net worth statements contain approximations of bank account balances provided by the client, as well as the value of land and hard-to-price real estate. The net worth statements are used for long-term financial planning where the exact values of assets are not material to the financial planning tasks.

## Investment Discretion

---

### Discretionary Authority for Trading

HFG accepts discretionary authority to manage securities accounts on behalf of clients. HFG has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. However, HFG consults with the client prior to each trade to obtain concurrence if a blanket trading authorization has not been given.

The client approves the custodian to be used and the commission rates paid to the custodian. HFG does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.



# HERON FINANCIAL GROUP, LLC

Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment policy that you have approved in writing.

---

## **Trade Error Policy**

On occasion, we may experience errors with respect to trades made on behalf of client accounts. We endeavor to detect trade errors prior to settlement and to correct them in an expeditious manner. We will reimburse client accounts for losses directly due to uncorrected trade errors on our part.

---

## **Limited Power of Attorney**

A limited power of attorney is a trading authorization for this purpose. You sign a limited power of attorney so that we may execute the trades that you have approved.

## **Voting Client Securities**

---

### **Proxy Votes**

HFG does not vote proxies on securities. Clients are expected to vote their own proxies.

When assistance on voting proxies is requested, HFG will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client.

## **Financial Information**

---

### **Financial Condition**

HFG does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because HFG does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.

## **Business Continuity Plan**

---

### **General**

HFG has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

---

### **Disasters**

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency,

# HERON FINANCIAL GROUP, LLC

chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

---

## **Alternate Offices**

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

## **Information Security Program**

---

### **Information Security**

HFG maintains an information security program to reduce the risk that your personal and confidential information may be breached.

---

### **Privacy Notice**

HFG is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

Statutes and regulations obligate us and our personnel to maintain and preserve the confidentiality of client and investor nonpublic personal information. We seek to comply with applicable law by providing clients and investors who are natural persons with necessary initial, annual, and revised “clear and conspicuous” notices describing our privacy policies and practices. These policies and practices include:

1. Description of the types of nonpublic personal information that we collect
2. Description of the manner in which we collect the information
3. Explanation of the conditions under which we may disclose nonpublic personal information to third parties

The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, information about transactions between you and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help you meet your personal financial goals.

With your permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom you have established a relationship. You may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person. With your permission, we share a limited amount of information about you with your brokerage firm in order to execute securities transactions on your behalf.

# HERON FINANCIAL GROUP, LLC

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this *Privacy Notice* to you annually, in writing.

# HERON FINANCIAL GROUP, LLC

## Brochure Supplement (Part 2B of Form ADV)

### Key Employee Biographical Information

---

#### Education and Business Standards

HFG requires that advisors in its employ have a bachelor's degree and further coursework demonstrating knowledge of financial planning and tax planning. Examples of acceptable coursework include: an MBA, a CFP®, a CFA, a ChFC, JD, or CPA. Additionally, advisors must have work experience that demonstrates their aptitude for financial planning and investment management.

---

#### Professional Certifications

Employees have earned certifications and credentials that are required to be explained in further detail.

Certified Financial Planner (CFP): Certified Financial Planners are licensed by the CFP Board to use the CFP mark. CFP certification requirements:

- Bachelor's degree from an accredited college or university.
- Completion of the financial planning education requirements set by the CFP Board ([www.cfp.net](http://www.cfp.net)).
- Successful completion of the 10-hour CFP® Certification Exam.
- Three-year qualifying full-time work experience.
- Successfully pass the Candidate Fitness Standards and background check.

Chartered Financial Analyst (CFA): Chartered Financial Analysts are licensed by the CFA Institute to use the CFA mark. CFA certification requirements:

- Hold a bachelor's degree from an accredited institution or have equivalent education or work experience.
- Successful completion of all three exam levels of the CFA Program.
- Have 48 months of acceptable professional work experience in the investment decision-making process.
- Fulfill society requirements, which vary by society. Unless the candidate is upgrading from affiliate membership, all societies require two sponsor statements as part of each application.
- Agree to adhere to and sign the Member's Agreement, a Professional Conduct Statement, and any additional documentation requested by CFA Institute.

# HERON FINANCIAL GROUP, LLC

Certified Public Accountant (CPA): Certified Public have passed the Uniform Certified Public Accountant Examination and have met additional state education and experience requirements for certification as a CPA CPA certification requirements:

- Pass the Uniform Certified Public Accountant Examination (Uniform CPA Exam), which is set by the American Institute of Certified Public Accountants (AICPA) and administered by the National Association of State Boards of Accountancy (NASBA).
- Complete 24 months of acceptable professional work experience.
- Pass the AICPA self-study Professional Ethics examination for CPAs.
- Commit to continuing education courses in order to renew the license..

# HERON FINANCIAL GROUP, LLC

## DAVID EDWARDS, President & Wealth Advisor

### EDUCATION

---

DARDEN GRADUATE SCHOOL OF BUSINESS, UNIVERSITY OF VIRGINIA

- MBA in General Management, 1993

HAMILTON COLLEGE

- BA, concentration in History and Mathematics, 1983  
Honors on Senior Thesis in American History

### EXPERIENCE

---

1993-Present	HERON FINANCIAL GROUP, LLC	New York
	<i>President, Wealth Advisor</i>	
	<ul style="list-style-type: none"><li>▪ Founded firm, established investment methodologies and operations procedures.</li><li>▪ Designed portfolios for a range of US and International private clients.</li><li>▪ Conducted annual review of clients' portfolios for appropriateness of investments and tax implications, prepared monthly client reports.</li><li>▪ Wrote bi-weekly "Portfolio Manager's Toolbox" column at TheStreet.com.</li></ul>	
1992	JP MORGAN SECURITIES, INC.	New York
	<i>Associate</i>	
	<ul style="list-style-type: none"><li>▪ Designed proprietary quantitative trading strategies to exploit cross-market arbitrages.</li><li>▪ Traded strategies and trained other traders.</li></ul>	
1988-1991	JP MORGAN SECURITIES, INC. & NOMURA SECURITIES, INC.	New York, London
	<i>Management Consultant</i>	
	<ul style="list-style-type: none"><li>▪ Developed desk for trading products such as option on treasuries, options on mortgage backed, European repos and collateralized mortgage obligations.</li><li>▪ Designed and managed the implementation of computer systems to identify profitable trades, analyze position risk, price thinly traded and derivative securities.</li></ul>	
1984-1987	MORGAN STANLEY & CO., INC.	New York
	<i>Associate</i>	
	<ul style="list-style-type: none"><li>▪ Designed systems to facilitate processing of multi-collateral, extended term, fixed and floating rate repurchase agreements in the treasury and mortgage backed markets.</li><li>▪ Designed and implemented crash project to automate all functions related to mortgage backed securities trading.</li><li>▪ Completed Capital Markets program, June 1986.</li><li>▪ Completed Management Information Systems program, July 1984.</li></ul>	

# HERON FINANCIAL GROUP, LLC

## LUCAS DOE, Portfolio Manager

### EDUCATION

---

- DARDEN GRADUATE SCHOOL OF BUSINESS, UNIVERSITY OF VIRGINIA
- MBA in Finance, 2004
- SCHOOL OF ENGINEERING AND APPLIED SCIENCES, UNIVERSITY OF VIRGINIA
- ME, Electrical Engineering, 2004
- UNIVERSITY OF SCIENCE AND TECHNOLOGY, KUMASI, GHANA
- BSc, Mechanical Engineering, 1998

### PROFESSIONAL CERTIFICATION

---

- Chartered Financial Analyst (CFA), awarded Charter in 2009

### EXPERIENCE

---

2011-Present	HERON FINANCIAL GROUP, LLC	New York
	<i>Portfolio Manager</i>	
	<ul style="list-style-type: none"><li>▪ Analyzed client financial needs and risk tolerance</li><li>▪ Devised appropriate investment strategy.</li><li>▪ Executed investment strategy using state-of-the-art modeling and rebalancing tools.</li></ul>	
2010-2011	GRANDWOOD SECURITIES, LLC.	New York
	<i>Investment Banking Associate, Private Equity</i>	
	<ul style="list-style-type: none"><li>▪ Worked with the management team of a Software-as-a-Service (SaaS) company to raise its first institutional equity capital.</li><li>▪ Worked with the management team of a clean-technology company focused on the design and manufacture of hybrid vehicles to raise Series A equity financing.</li><li>▪ Drafted a private placement memorandum for a media company to raise \$30 million in debt and equity.</li></ul>	
2007-2009	FAIRPOINT COMMUNICATIONS INCORPORATED	Manchester, NH
	<i>Financial Analyst</i>	
	<ul style="list-style-type: none"><li>▪ Built leveraged buy-out (LBO) model for use in the acquisition of \$2.7 billion in assets from Verizon.</li><li>▪ Developed and presented business cases for new capital investments and expansion into new markets.</li></ul>	
2004-2007	DARDEN GRADUATE SCHOOL OF BUSINESS ADMINISTRATION	Charlottesville, VA
	<i>Research Associate to Professors Kenneth M. Eades and L. Jay Bourgeois</i>	
	<ul style="list-style-type: none"><li>▪ Created valuation models for expert testimony on valuation of damages in litigation.</li><li>▪ Analyzed the performance of acquisitions of a Fortune 100 company and worked with senior management to develop an integration framework.</li></ul>	
1999-2001	BRITISH AMERICAN TOBACCO CO. LTD.	London
	<i>Line Manager</i>	
	<ul style="list-style-type: none"><li>▪ Managed production department with total of 100 employees and 6 direct reporting employees.</li></ul>	

# HERON FINANCIAL GROUP, LLC

## DANIELLE CAMPISI, Wealth Advisor & Compliance Officer

### EDUCATION

---

SOCIETY OF CERTIFIED SENIOR ADVISORS (SCSA) - 2011

LEHIGH UNIVERSITY

- BS, Accounting, 1997

### PROFESSIONAL CERTIFICATION

---

- Certified Public Accountant (CPA), awarded certification in 2000

### EXPERIENCE

---

2012-Present	HERON FINANCIAL GROUP, LLC	New York
	<i>Wealth Advisor &amp; Compliance Officer</i>	
	<ul style="list-style-type: none"><li>▪ Analyzed client financial needs and risk tolerance</li><li>▪ Prepared annual compliance review</li></ul>	
2008-2011	ABM INDUSTRIES	New York
	<i>Director, Corporate Enterprise Risk Management</i>	
	<ul style="list-style-type: none"><li>▪ Managed Budget of \$2M. Built two nationwide corporate departments of 11 people in 6 months. Established multiple disciplines in enterprise risk and compliance. Achieved over \$1 million in hard savings.</li><li>▪ Reported to the Board of Directors, Audit Committee and C-Suite on newly developed compliance policy, enterprise risk program implementation, and SOX program. Defined initial risk appetite.</li><li>▪ Created and led agenda for quarterly risk committee and compliance committee meetings supporting risk owners with risk evaluation and process integrated analysis tools.</li></ul>	
2002-2007	JP MORGAN CHASE	London, Tokyo
	<i>Vice President, Operational Risk Management</i>	
	<ul style="list-style-type: none"><li>▪ Managed operational risk program across cash and derivative, interest rate and credit product. Performed end-to-end risk assessment. Performed risk event root cause analysis.</li><li>▪ Developed Basel methodology for allocation of operational risk under advanced measurement approach</li><li>▪ Pioneered the build out of two Operational Risk Platforms. Identified business process improvements..</li></ul>	
2001	LEHMAN BROTHERS	Tokyo
	<i>Associate, Financial Controller Distressed Real Estate Entity</i>	
	<ul style="list-style-type: none"><li>▪ Responsible for all financial reporting of the main Distressed Real Estate entity to management and CFO.</li><li>▪ Designed &amp; completed regional accounting compliance process reporting to global office.</li></ul>	
1997-2000	DELOITTE	New York
	<i>Senior Accountant in Financial Services</i>	
	<ul style="list-style-type: none"><li>▪ Reviewed and performed simultaneous end to end audit of financial statements and controls for mid-size and large Financial Service Companies to ensure compliance with accounting, SEC, and other regulations..</li></ul>	