

**Part 2A of Form ADV: Firm Brochure**



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**This brochure provides information about the qualifications and business practices of MPMG & PARTNERS USA, LLC ("we," "MPMG," or the "Firm"). If you have any questions about the contents of this brochure, please contact us at +1.212.605.0590 and/or [lgpaschal@mpmgpartners.com](mailto:lgpaschal@mpmgpartners.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about MPMG-also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).  
Registration with the SEC does not imply a certain level of skill or training.**

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## **ITEM 2 – MATERIAL CHANGES**

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This brochure is the initial investment adviser brochure filed by the Firm with the SEC. There are no material changes to report.

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## ITEM 4 – ADVISORY BUSINESS

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### **History & Ownership:**

MPMG was organized as a limited liability company under the laws of the state of New York on December 17, 2010 and has been providing investment advisory services since its inception.

3P USA, Inc., a New York corporation, owns 70% of MPMG. 3P USA, Inc. is a wholly-owned subsidiary of 3P Capital Finance Holdings Limited, a Cyprus corporation wholly-owned by Mr. Gabriele Marotta.

### **Services Offered:**

MPMG provides discretionary and non-discretionary investment advisory services primarily to high net worth non-U.S. persons using a European global wealth management and portfolio management style that focuses on capital preservation, financial growth, risk management, low volatility, multi-generational wealth transfer, and philanthropy. Assets managed include equities, bonds, mutual funds, precious metals, and exchange-traded funds.

MPMG accepts clients on a referral basis only and tailors its advisory services to the individual needs of its clients based on their financial objectives and risk tolerances.

Clients generally select from six investment strategies, ranging from low growth (bonds) to an aggressive growth total return strategy that seeks to seize all investment and return opportunities in any capital market, in each case based on their objectives, tolerance of risk, time horizon, and asset allocation preference. The client decides which asset classes he would like to be exposed to, and the percentage of investment within that asset class. Every asset class is then compared quarterly to a benchmark. The different benchmarks combined, produce a global synthetic benchmark, which is then used to determine how the portfolio has performed, compared to the underlying markets. The goal is to obtain a higher return than the reference benchmark. Examples of the benchmarks that are used include the following:

- MSCI World Index in local currency
- Euronext 100
- JP Morgan Government Bonds
- EONIA rates
- LIBOR rates

Additional benchmarks and asset classes may be added by the client and clients are free to impose restrictions on investing in certain securities or types of securities.

MPMG offers its clients relationships with an international network of depository banks and broker dealers through which accounts may be booked.

As a full service family office advisory firm, in addition to portfolio management, MPMG may assist clients with the following:

- Opening and administering bank accounts in any relevant jurisdiction;
- Arranging payments and transfers between all accounts – including the administration of all credit card functions and existing loans;
- Paying bills;

As of March 15, 2013, MPMG managed approximately \$33 million of assets on a discretionary basis and \$9 million of assets on a non-discretionary basis.

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## ITEM 5 – FEES AND COMPENSATION

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**Management Fees:** MPMG is paid a management fee equal to a percentage of the current market value of the client's portfolio, including cash and equivalent items (the "Management Fee"). The Management Fee is negotiable based on the complexity of the portfolio, the frequency of intervention, as well as the total size of the portfolio. The Management Fee is payable in arrears in quarterly installments, with each installment based on the current market value of the portfolio at the end of the calendar quarter. The client may be billed directly by MPMG for services rendered - though most commonly the client may instruct the custodian bank in which the client account is held to pay MPMG ten days from the receipt of billing by MPMG directly. MPMG will send an invoice to the custodian for the payment of the Management Fee and delivery instructions for the payment. The current market value of the portfolio is determined in accordance with standard accounting principles generally accepted within the industry. MPMG has no wrap fee program or arrangements.

Management Fees generally are as follows based on client profile:

Service	Annual Management Fee	Basis for Fee	Minimum Fee
Discretionary Asset Management	0.75% to 1.75%	Total assets under management	USD 1000. --
Discretionary Total Return Strategy	1% to 2%	Total assets under management	USD 1000. --
Non-Discretionary Advisory account	0.75% to 1.5%	Total assets under management	USD 500. —

**Additional Fees and Expenses:** In addition to the Management Fee, clients are charged a U.S. \$250 fee for documentation, research, and administrative services, when such services are requested, and a U.S. \$250 fee for reviewing their existing portfolio. Qualified Clients who select MPMG's total return strategy are also charged a performance fee, described in Item 6 below.

Clients are also responsible for the fees and expenses charged by custodians and imposed by brokers, including, but not limited to, commissions and exchange fees. Please refer to the "Brokerage Practices" section Item 12 of this brochure for additional information.

**Termination:** Typically, an advisory agreement may be canceled at any time, by either party, for any reason, upon receipt of 30 days written notice. Upon termination of any account, any earned but unbilled fees will be due and calculated

on the basis of the number of days that have elapsed between the last billing period date and the termination date.

***No Sale Compensation:*** Neither MPMG nor any of its supervised persons accepts or solicits compensation for the sale of securities or other investment products.

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**ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

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Client accounts managed in accordance with the MPMG Total Return Strategy are subject to a performance fee. For each asset class selected by the client the account's return is compared quarterly to a benchmark. The different benchmarks combined, produce a global synthetic benchmark, which is then used to determine how the portfolio has performed, compared to the underlying markets. The goal is to obtain a higher return than the reference benchmark. If at the end of a quarter the performance is higher than the global synthetic benchmark, MPMG will charge a performance fee equal to 15% - 30% of the excess performance. Performance fees are generally only taken on realized gains. Performance fees are only charged to persons who are "qualified clients" as defined in Rule 205-3 under the Investment Advisers Act of 1940.

Performance-based fee arrangements may create an incentive for the Firm to recommend investments that may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying accounts (such as accounts that are subject to performance-based fee arrangements) over other accounts (such as accounts that are not subject to performance-based fee arrangements) in the allocation of investment opportunities. Performance fees on only realized gains may also create an incentive for the Firm to avoid selling positions with unrealized losses. The Firm addresses these potential conflicts by managing each portfolio in accordance with the risk profile of the client and by adhering to its policy of fairly allocating investment opportunities among clients in accordance with their selected strategies.



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## **ITEM 7 – TYPES OF CLIENTS**

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MPMG's clients consist principally of high net worth European individuals and their family foundations, trusts or foreign companies. All clients are subject to MPMG's internal compliance procedures, site visits, and anti-money laundering procedures. MPMG conducts an OFAC (Office of Foreign Assets Control) search on all clients. Clients are accepted on a referral basis only. There are currently no minimums for opening or maintaining an account.

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## ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

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Upon entering the relationship with MPMG, a profile of the client, its goals and a risk assessment is created. Based on this analysis, the client may, along with our recommendation, select one of six investment strategies with a corresponding, objective, characteristic, level of risk and asset allocation for each. All of our investment strategies' execution is based on a top down analysis. They are as follows:

### ***MPMG MANAGED ACCOUNTS: Bonds***

**Objective:** to maximize asset protection and fixed revenues.

**Characteristics:** Low volatility, proportionate diversification of the investments carried out mainly through securities, the balance being held in either foreign or domestic funds. The diversification of the investments is described below in the "Asset Allocation" box. Duration of investment: 2-4 years

**Profile of risk:** Low. Volatility is related to international money markets, bond markets, and fluctuation in the currency market.

#### **Asset Allocation:**

Reference Currency: _____		
Money Markets:	minimum 10%	maximum 90%
Bonds:	minimum 10%	maximum 90%
Alternative Products:	minimum 0%	maximum 10%

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### ***MPMG MANAGED ACCOUNTS: Diversified***

**Objective:** To preserve capital in the short-term and search for growth in the medium-term by a proportionate diversification of the investments carried out mainly in securities, the balance being carried out in funds (foreign funds, domestic funds, funds of funds). The diversification of the investments is described below in the "Asset Allocation" box. Length of placement: 2-3 years

**Profile of risk:** Medium. The volatility is that of the investments in equities, either in international markets or domestic markets, hedged by bond or money market investments.

#### **Asset Allocation:**

Reference Currency: _____		
Money Markets:	minimum 0%	maximum 75%
Bonds:	minimum 25%	maximum 100%
Stocks:	minimum 0%	maximum 25%
Alternative Products:	minimum 0%	maximum 20%
Future Contracts:	minimum 0%	maximum 5%

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### ***MPMG MANAGED ACCOUNTS: Balanced***

**Objective:** to search for growth opportunities in the medium-term through an international diversification of proportionate investments made mainly in securities, the balance being held in foreign and domestic funds and funds of funds. The diversification of the investments is described below in the “Asset Allocation” box. Length of placement: 3-4 years.

**Profile of risk:** Medium/High. The volatility of the portfolio resides in the foreign or domestic equities market. Risk offset by bond and monetary investments holdings.

#### **Asset Allocation:**

Reference Currency: _____		
Money Markets:	minimum 0%	maximum 75%
Bonds:	minimum 25%	maximum 75%
Stocks:	minimum 0%	maximum 50%
Alternative Products:	minimum 0%	maximum 30%
Future Contracts:	minimum 0%	maximum 10%

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### ***MPMG MANAGED ACCOUNTS: Growth***

**Objective:** to search for growth opportunities in the medium/long term through an international diversification of proportionate investments made mainly in securities, the balance being held in foreign and domestic funds and funds of funds. The diversification of the investments is described below in the “Asset Allocation” box. Length of placement: 4-5 years.

**Profile of risk:** Medium/High. The volatility of the portfolio resides in the foreign or domestic equities market. Risk offset by international and domestic equities market.

#### **Asset Allocation:**

Reference Currency: _____		
Money Markets:	minimum 0%	maximum 75%
Bonds:	minimum 25%	maximum 50%
Stocks:	minimum 15%	maximum 65%
Alternative Products;	minimum 0%	maximum 35%
Future contracts:	minimum 0%	maximum 15%

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### ***MPMG MANAGED ACCOUNTS: Aggressive Growth***

**Objective:** to search for growth opportunities in the medium/long term through an international diversification of proportionate investments made mainly in

securities, the balance being held in foreign and domestic funds and funds of funds. The diversification of the investments is described below in the “Asset Allocation” box. Length of placement: 5-6 years.

**Profile of risk:** High. The volatility of the portfolio resides in the foreign or domestic equities market. Risk offset by international and domestic equities market.

**Asset Allocation:**

Reference Currency: \_\_\_\_\_

Money Markets:

minimum 0%

maximum 100%

Stocks:

minimum 0%

maximum 100%

Alternative Products;

minimum 0%

maximum 40%

Future contracts:

minimum 0%

maximum 20%

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***MPMG MANAGED ACCOUNTS: Total Return***

**Objective:** to seize all investment and return opportunities in any capital market. The client decides which asset classes he would like to be exposed to, as well as the percentage. Every asset class is then compared quarterly to a benchmark. The different benchmarks combined, produce a global synthetic benchmark, which is then used to determine how the portfolio has performed, compared to the underlying markets. The goal is to obtain a higher return than the index of reference (the benchmark).

This strategy will be enacted according to the Risk Assessment and Asset Allocation determined by the client.

The client determines, according to the guidelines set by the Risk Assessment and Asset Allocation profile, the asset classes, their percentage of exposure, acquisition mode and timing, and when to sell part or all of the investments MPMG is then authorized to make any asset class selection or sale, provided it is consistent with the asset allocation and risk profile signed by the client.

In order for MPMG to protect client’s assets, or to enhance their return, MPMG is authorized to select just one of the asset classes or even one selected instrument, provided it is included in the asset allocation chosen by the client.

The currency of reference is necessary to the calculation and attribution of performance. It does not, however, exclude the possibility of investing in any other currency, or the possibility of investing in one single currency.

## Risk Assessment and Asset Allocation determined by the Client:

Reference Currency: \_\_\_\_\_

Money Markets: maximum \_\_\_\_%

Bonds: maximum \_\_\_\_%

Stocks: maximum \_\_\_\_%

Alternative Products; maximum \_\_\_\_%

Future contracts: maximum \_\_\_\_%

Other Asset Classes: maximum \_\_\_\_%

BENCHMARK	%
MSCI World Index in local currency	
Euronext 100	
JP Morgan Government Bonds	
EONIA / LIBOR 3 months	
Other Selected Indexes*	
_____	_____
_____	_____

**Trading on Non-U.S. Exchanges:** In addition to directing trading within US markets, MPMG engages in directing trading in non-U.S. exchanges and other markets located outside of the U.S. No current U.S. governmental agency regulations apply to the execution of transactions on or the regulation of such non-U.S. markets.

**Market Risk:** The client acknowledges that MPMG's past performance and advice regarding the client's Portfolio cannot guarantee future results. As with all market driven investments, the clients' investments may appreciate or depreciate at any time, and MPMG does not guarantee that any service rendered will result in any profit to the client.

**Client Profiles:** Investment strategies are based on the Client Risk Profile/Asset Allocation Profile created by MPMG along with the client. The frequency of update to this documentation is to be determined by MPMG and/or the client but shall not exceed one calendar year.

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## **ITEM 9 – DISCIPLINARY INFORMATION**

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The Firm and its management persons have no reportable disciplinary events to disclose.

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**ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

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Gabriele Marotta is the principal beneficial owner of MPMG and is also the principal owner of MPM Partners, an investment advisory firm located in Monaco, and CSGP, an investment advisory located in Geneva, Switzerland. MPMG has no other financial industry activities or affiliations. MPMG receives no compensation either direct or indirect for the recommendations it makes to its clients or the management of the client portfolio other than the fees it collects directly from the client.

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**ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN  
CLIENT TRANSACTIONS AND PERSONAL TRADING**

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MPMG allows personal trading by supervised persons or employees of MPMG-but no personal accounts of any employee or supervised person affiliated with MPMG may be managed by MPMG.

MPMG makes management decisions on behalf of clients and dispenses advice to clients based on portfolio strategies created for clients. It seeks to avoid conflicts of interest in making those decisions.

MPMG has adopted a Code of Ethics (the “Code”) that sets forth the ethical standards of business conduct required of its employees, including compliance with applicable federal securities laws. MPMG and its personnel owe a duty of loyalty, fairness and good faith to MPMG’s clients, and have an obligation to adhere not only to the specific provisions of the Code, but to the general principles that guide the Code. MPMG distributes a copy of the Code annually to all employees, who confirm reading it and agree to its terms.

The Code includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by MPMG’s access persons.

The Code includes policies and procedures for the review of securities transactions reports and the status of each client relationship-The Code is designed to ensure that the personal trading activities and interests of our employees will not interfere with making decisions in the best interest of MPMG’s clients and implementing such decisions.

The Code further includes MPMG’s policy prohibiting the use of material non- public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

The Code, additionally has oversight, enforcement and recordkeeping provisions. MPMG has established policies requiring the reporting of Code violations to its senior management. Any individual who violates any of the above restrictions may be subject to termination. A copy of the Code-is available to advisory clients and prospective clients. You may request a copy by email sent to [lgpaschal@mpmgpartners.com](mailto:lgpaschal@mpmgpartners.com), or by calling us at 212-605-0590.



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## ITEM 12 – BROKERAGE PRACTICES

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Broker-dealers are recommended to our clients on the following bases:

Quality of execution;  
Reputation of the institution;  
Agreement of the client;  
Transparency of reporting;  
Ease of accessing information; and  
International presence

Rates from broker-dealers are considered to be reasonable if they are in the range of normal market prices of other broker-dealers within the industry for services rendered.

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

MPMG has no formal or informal arrangements or commitments to utilize research, research-related products or any other services from banks, broker-dealers or any third parties, on a soft dollar commission basis.

From time to time MPMG may receive unsolicited analysis (proprietary or otherwise) of products and market conditions from broker -dealers, and third parties in connection with client securities transactions. MPMG's practice is to treat this information separately from any decision making process in selecting a broker -dealer or maintaining a broker-dealer relationship on behalf of a client. Any information it receives is used to service all clients equally.

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

MPMG does not consider, in selecting or recommending broker-dealers to clients, whether it or any of its related persons has received client referrals from a broker-dealer or third party.

### **Directed Brokerage.**

MPMG recommends broker-dealers to clients, but the ultimate selection is made by clients. MPMG does not recommend, request or require that a client direct MPMG to execute transactions through a specified broker-dealer, but MPMG generally permits clients to direct brokerage, and will do its best to accommodate the preferences of the client in the selection of a specific broker-dealer. In the event a client directs brokerage, the Firm may be unable to achieve most favorable execution of client transactions and directing brokerage may cost clients more money. For example, in a directed brokerage account, the client may pay higher brokerage commissions because the Firm may not be able to aggregate orders to reduce transaction costs, or the client may receive less favorable prices.

To achieve best execution, MPMG will pool the purchase or sale of securities for client accounts and submit a bulk order to a broker -dealer for all of clients sharing similar strategies within the same asset class and risk profile in order to capture the same purchase or sale price of the security for each transaction. MPMG aggregates all orders when it has the opportunity to do so.

MPMG typically aggregates trades for clients pursuing a common-strategy whenever possible, consistent with our duty to seek best execution. In such cases, participating clients will receive an average trade price, and a pro-rata allocation of the contracts bought or sold as well as the associated transaction costs. In the event of a partial fill of a batched order, we will allocate the traded contracts pro-rata, at the average price.

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### ITEM 13 – REVIEW OF ACCOUNTS

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Once a client's portfolio has been established, MPMG reviews the portfolio daily and rebalances assets based on established protocols associated with the different strategies offered, but in all cases, at least annually.

MPMG performs trade-by-trade reconciliations as well as daily account reconciliations. Any unresolved discrepancies are promptly reviewed by MPMG Executive Management including the Chief Compliance Officer. In addition, two principals, the President and the CEO, allocate responsibility between them for reviewing all accounts quarterly.

Upon entering a relationship with MPMG, a client is asked to complete, along with MPMG management, a written Investment Advisory Agreement, a KYC (Know Your Customer) form, and a Risk Assessment form which outlines the relationship between the client and MPMG, client identity, and the client's financial profile in terms of assets under management, goals, and risk preference. All contracts are updated at least yearly. Changes made to the content of these contracts along with a change in market conditions would trigger review and possible amendment or alteration.

Clients may select the frequency of regular reporting on the status of their investments. They may access online reports of the current market value and status of their portfolio through the online system provided by the custodian bank or broker-dealer. They may select how they wish to be contacted by MPMG or by the custodian bank or broker dealer. MPMG may provide specific analysis and reporting based on clients' request in writing or otherwise.

Typically MPMG prepares clients reports, including performance data and a narrative, on a quarterly basis. Clients may select whether or not they wish to receive quarterly, or more frequent, account statements directly from the custodian bank or broker-dealer.

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**ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

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MPMG does not receive any economic benefit from any person who is not a client for providing investment advice or other advisory services to clients.

Neither MPMG nor its related persons directly or indirectly compensate any person for client referrals.

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**ITEM 15 – CUSTODY**

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MPMG does not maintain custody of client funds or securities.

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## **ITEM 16 – INVESTMENT DISCRETION**

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MPMG accepts discretionary authority to manage securities accounts on behalf of clients, as agent and attorney-in-fact for clients, with execution of power of attorney to retain discretionary authority over the portfolio, and is expressly authorized to act on behalf of the client with respect to the management of the client's portfolio without prior consultation with or notification to the client - including without limitation: placing orders, negotiating commissions (if any) or otherwise providing instructions with regard to the purchase, sale, acquisition, lending, conversion, exercise or disposal of the securities or other assets of the portfolio. Terms of this grant are outlined in the Investment Advisory Contract agreed upon by clients. All clients are free to impose restrictions on investing in certain securities or types of securities. MPMG has no authorization to withdraw or wire funds from or to a portfolio, unless written, explicit authorization is given to MPMG by a client under mutually agreed upon terms.

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### **ITEM 17 – VOTING CLIENT SECURITIES**

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MPMG does not vote proxies on behalf of clients. A copy of MPMG's proxy voting policy is available to its advisory clients and prospective clients. Clients may request a copy by email sent to [lgpaschal@mpmgpartners.com](mailto:lgpaschal@mpmgpartners.com), or by calling us at 212-605-0590.

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## **ITEM 18 – FINANCIAL INFORMATION**

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MPMG does not require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, MPMG is not required to include a balance sheet with this Firm Brochure.

MPMG has no financial condition that impairs its ability to meet contractual commitments to clients, and has not been the subject of a bankruptcy proceeding.