

**Item 1:        Cover Sheet**

**FORM ADV PART 2A  
INFORMATIONAL BROCHURE**

**MEC INVESTMENTS LLC**

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**This brochure provides information about the qualifications and business practices of MEC Investments LLC. If you have any questions about the contents of this brochure, please contact us at (917) 484-1500. 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. MEC Investments LLC is a registered investment adviser. Registration does not imply any certain level of skill or training.**

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

**Item 2:           Statement of Material Changes**

MEC Investments LLC is a newly registered adviser, and is therefore completing the ADV Part 2 for the first time.

**Item 3: Table of Contents**

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## INFORMATIONAL BROCHURE

### MEC INVESTMENTS LLC

#### Item 4: Advisory Business

MEC Investments LLC (“MEC”) has been in business since August, 2013. Hakan Ergulec is the firm’s principal. He brings over 10 years of industry experience. The firm provides asset management and general consulting services on a fee basis.

#### **Asset Management**

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Asset management services will generally be provided on a “discretionary” basis. When MEC is engaged to provide asset management services on a discretionary basis, we will monitor your accounts to ensure that they are meeting your asset allocation requirements. If any changes are needed to your investments, we will make the changes. These changes may involve selling a security or group of investments and buying others or keeping the proceeds in cash. You may at any time place restrictions on the types of investments we may use on your behalf, or on the allocations to each security type. You will receive written or electronic confirmations from your account custodian after any changes are made to your account. You will also receive statements at least quarterly from your account custodian. Clients engaging us on a discretionary basis will be asked to execute a Limited Power of Attorney (granting us the discretionary authority over the client accounts) as well as an Investment Management Agreement that outlines the responsibilities of both the client and MEC.

In limited circumstances and as a courtesy to some clients, MEC may provide asset management services on a non-discretionary basis. When a client engages us to provide investment management services on a non-discretionary basis, we monitor the accounts in the same way as for discretionary services. The difference is that changes to your account will not be made until we have confirmed with you (either verbally or in writing) that our proposed change is acceptable to you.

For some clients, MEC may include certain additional costs in the client’s management fee. Fees included in the wrap fee include transaction fees for the purchase or sale of securities, expenses related to the use of margin, wire transfer fees, fees charged by regulatory agencies, and any transaction fees for securities trades executed by a broker-dealer other than Fidelity Investments, Inc. Expenses for the management fees of third party managers are also included in the Wrap Program. Therefore, clients who participate in the wrap program pay one fee and all other fees, including fees payable separate managers, are considered part of the wrap fee program. The only fees not included in the wrap program are transaction fees deducted by the custodian(s) of held away assets and the fees and expenses of ETFs and mutual funds, which are deducted prior to the calculation of the net asset value of the applicable fund. Clients who do not participate in the wrap program will be responsible for the payment of all third party manager fees, as well as all transaction fees.

Because of the nature of a wrap fee program, the wrap fee program client may pay more or less than if the client had compensated MEC outside of the wrap fee program. For example, if a client’s account is rarely traded, the transaction fees the client would have paid would be minimal, thus limiting the benefits of “wrapping” management fees and transaction fees. MEC receives a portion of the wrap fee for our services.

MEC may engage other portfolio managers to manage assets within the wrap fee program. To the extent a third party manager is utilized, the fees payable to such managers are included in the wrap program. MEC receives a portion of the wrap fee for our services. Transaction fees are paid to various

broker-dealers, mutual funds and ETFs. The remainder of the wrap fee is the management fee payable to MEC. The amount payable to MEC varies depending upon the amount of trading in a client's account. The more transactions in the account, the greater the amount of transaction fees, and therefore the less compensation to MEC. Accordingly, MEC has a financial incentive to avoid trading the account, or to choose managers with lower fees instead of managers with higher fees. This creates a conflict of interest between the firm and its wrap clients. MEC attempts to mitigate this conflict by requiring that the firm's employees acknowledge their fiduciary duty to place client interests ahead of their own and by periodically comparing wrap program client performance against any clients who are not in the wrap program. Further MEC and its principals believe that the Company has a greater incentive to protect client assets and guard the best interests of its clients. Recommending the best risk adjusted investments that fit each client's specific investment objectives is the most important way MEC can ensure its continued success. MEC has a long-term view on its business. It values developing long-term relationships with its clients over minor near-term cost savings to MEC. MEC believes it is important to offer clients a clear view of their total costs. The MEC wrap program enables clients to easily understand the total costs of managing their assets.

MEC will receive no additional compensation for offering the wrap fee program.

### **Financial Planning and Consulting**

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From time to time, MEC may be engaged to perform financial planning or consulting services outside the scope of traditional asset management. Consulting topics by their nature may vary greatly, but may include discussions regarding a client's business, estate planning, suggestion and diligence of alternative assets, real estate or other personal assets. Clients who engage MEC to provide such services will generally be required to execute a Financial Planning Agreement or Consulting Agreement.

### **Assets under Management**

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As of the date of this brochure, MEC is a newly formed business, and as such, we do not yet have any clients or assets we manage.

## **Item 5: Fees and Compensation**

### **A. Fees Charged**

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All investment management clients will be required to execute an Investment Management Agreement that will describe the type of management services to be provided and the fees, among other items.

#### *Asset Management*

Generally, fees vary from 0.15% to 2.00% per annum of the market value of a client's assets managed by MEC, which may include some or all assets and those assets may be held with any custodian or held separately without the services of any custodian such as would be the case with certain private investments, rental properties and real estate. The fee range stated is a guide. Fees are negotiable, and may be higher or lower than this range, based on the nature of the account. Factors affecting fee percentages include the size of the account, complexity of asset structures, and other factors.

#### *Financial Consulting*

Consulting fees can be hourly, fixed fee basis, or included with asset management services. Our hourly charge is \$450 per hour. Because of the varied nature of consulting services, fixed fees will vary greatly, but generally between \$500 and \$10,000. The fee range stated is a guide. Fees may be higher or lower than this range, based on the nature of the engagement. Fees are negotiable, and will depend on

the anticipated complexity of the services to be provided.

#### **B. Fee Payment**

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Investment advisory fees will generally be debited directly from each client's account, though in limited circumstances a check may be accepted. The advisory fee is paid monthly, in arrears, and the value used for the fee calculation is average of the net value as of the first and last market day of the previous month. This means that if your annual fee is 2.00%, then each month we will multiply the value of your assets managed by MEC by 2.00% then divide by 12 to calculate our fee. Once the calculation is made, we will instruct your account custodian to deduct the fee from your account and remit it to MEC.

Clients whose fees are directly debited will provide written authorization to debit advisory fees from their accounts held by a qualified custodian chosen by the client. Each month, clients will receive a bill itemizing the fees to be debited, including the formula used to calculate the fee, the amount of assets upon which the fee is based, and the time period covered by the fee. The invoice will also state that the fee was not independently calculated by the custodian. The client will also receive a statement from their account custodian showing all transactions in their account, including the fee.

#### **C. Other Fees**

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There are a number of other fees that can be associated with holding and investing in securities. MEC will be responsible for fees including transaction fees for the purchase or sale of a mutual fund or Exchange Traded Fund, or commissions for the purchase or sale of a stock. Expenses of a fund will not be included in management fees, as they are deducted from the value of the shares by the mutual fund manager. For complete discussion of expenses related to each mutual fund, you should read a copy of the prospectus issued by that fund. MEC can provide or direct you to a copy of the prospectus for any fund that we recommend to you.

Please make sure to read Item 12 of this informational brochure, where we discuss broker-dealer and custodial issues.

#### **D. Pro-rata Fees**

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Because MEC charges its clients in arrears, it is highly unlikely that an asset management fee will need to be returned on a pro-rata basis. If you become a client during a month, you will pay the management fee only for the portion of the month during which you are a client. That management fee for the number of days left in that month will be billed at the end of that month. If you terminate our relationship during a month, you will be expected to pay the management fee for the days during that month during which you were a client, which will be billed at the time you terminate the agreement.

#### **E. Compensation for the Sale of Securities**

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This item is not applicable.

### **Item 6: Performance-Based Fees**

MEC will not charge performance based fees.

### **Item 7: Types of Clients**

Clients advised may include individuals, trusts, foundations, endowments and corporations. MEC does not require any account minimum.

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

It is important for you to know and remember that all investments carry risks. **Investing in securities involves risk of loss that clients should be prepared to bear.**

### Methods of Analysis and Investment Strategies

Each client's portfolio will be invested according to that client's investment objectives. We determine these objectives by interviewing the client and/or asking the client to put these objectives in writing. Once we ascertain your objectives for each account, we will develop a set of asset allocation guidelines. An asset allocation strategy is a percentage-based allocation to different investment types. For example, a client may have an asset allocation strategy that calls for 40-60% of the portfolio to be invested in equity securities, with 20% of that allocated to international equities and the remaining balance in fixed income. Another client may have an asset allocation of 50-60% in fixed income securities and the remainder equities. The percentages in each type that we recommend are based on the typical behavior of that security type, individual securities we follow, current market conditions, your current financial situation, your financial goals, and the timeline to get you to those goals. Because we develop an investment strategy based on your personal situation and financial goals, your asset allocation guidelines may be similar to or different from another client's. Once we agree on allocation guidelines, risk tolerance, time horizon, and how to achieve these results, we will develop a written investment policy statement to guide all parties involved in the execution of these goals, including but not limited to, MEC, the client, the custodian, and the investment managers.

Upon completion of the investment policy statement, we will periodically recommend securities transactions in your portfolio to meet the guidelines of the asset allocation strategy. It is important to remember that because market conditions can vary greatly, your asset allocation guidelines are not necessarily strict rules. Rather, we review accounts individually, and may deviate from the guidelines as we believe necessary.

The specific securities we recommend for your account will depend on market conditions and our research at the time. Generally, we recommend a mix of alternative assets, mutual funds, index funds, exchange traded funds, stocks, bonds and options. Specific funds are chosen based on where its investment objective fits into the asset allocation recommended by MEC, its risk parameters, past performance, peer rankings, fees, expenses, and any other aspects of the fund MEC deems relevant to that particular fund. We base our conclusions on predominantly publicly available research, such as regulatory filings, press releases, competitor analyses, and in some cases research we receive from our custodian or other market analyses. We will also utilize technical analyses, which means that we will review the past behaviors of the security and the markets in which it trades for signals as to what might happen in the future.

### Third Party Managers

We may recommend that certain portions of a client's portfolio be managed by independent third-party managers or recommend direct investment with independent third-party managers, typically when those managers demonstrate knowledge and expertise in a particular investment strategy. No assets will be allocated to third party managers for non-discretionary accounts without the prior permission for the client. Permission for such allocations will be obtained for each allocation.

We examine the experience, expertise, investment philosophies and past performance of independent third-party investment managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the manager's underlying holdings, strategies, concentration and leverage as part of our overall periodic risk

assessment. Additionally, as part of our due-diligence process, we survey the manager's compliance and business enterprise risks.

Based on a client's individual circumstances and needs, we will determine which selected money manager's portfolio management style is appropriate for that client. Factors considered in making this determination include account size, risk tolerance and the investment philosophy of the selected money manager. We encourage clients to review each third-party manager's disclosure document regarding the particular characteristics of any program and managers selected by us.

We will regularly and continuously monitor the performance of the selected money managers. If we determine that a particular selected money manager is not providing sufficient management services to the client, or are not managing the client's portfolio in a manner consistent with the client's investment objectives, we will remove the client's assets from that selected money manager and place the client's assets with another money manager at our discretion and without prior consent from the client, unless the client's account is managed by us on a non-discretionary basis. Permission for non-discretionary accounts will be obtained before placing the client's assets with another money manager.

MEC will obtain appropriate due diligence on all independent third-party managers, making reasonable inquiries into their performance calculations, policies and procedures, code of ethics policies and other operational and compliance matters to account for performance and risk management. We examine the experience, expertise, investment philosophies and past performance of third-party investment managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the manager's underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the manager's compliance and business enterprise risks.

#### Risks Associated with Our Approach and Investing in General

There are always risks to investing. Clients should be aware that all investments carry various types of risk including the potential loss of principal that clients should be prepared to bear. It is impossible to name all possible types of risks. Among the risks are the following:

- **Political Risks.** Most investments have a global component, even domestic stocks. Political events anywhere in the world may have unforeseen consequences to markets around the world.
- **General Market Risks.** Markets can, as a whole, go up or down on various news releases or for no understandable reason at all. This sometimes means that the price of specific securities could go up or down without real reason, and may take some time to recover any lost value. Adding additional securities does not help to minimize this risk since all securities may be affected by market fluctuations.
- **Currency Risk.** When investing in another country using another currency, the changes in the value of the currency can change the value of your security value in your portfolio.
- **Regulatory Risk.** Changes in laws and regulations from any government can change the value of a given company and its accompanying securities. Certain industries are more susceptible to government regulation. Changes in zoning, tax structure or laws impact the return on these investments.
- **Tax Risks Related to Short Term Trading:** Clients should note that MEC may engage in short-term trading transactions. These transactions may result in short term gains or losses for federal and state tax purposes, which may be taxed at a higher rate than long term strategies. MEC endeavors to invest client assets in a tax efficient manner, but all clients are advised to consult with their tax professionals regarding the transactions in client accounts.
- **Purchasing Power Risk.** Purchasing power risk is the risk that your investment's value will decline as the price of goods rises (inflation). The investment's value itself does not decline, but its



relative value does, which is the same thing. Inflation can happen for a variety of complex reasons, including a growing economy and a rising money supply.

- **Business Risk.** This can be thought of as certainty or uncertainty of income. Management comes under business risk. Cyclical companies (like automobile companies) have more business risk because of the less steady income stream. On the other hand, fast food chains tend to have steadier income streams and therefore, less business risk.
- **Financial Risk.** The amount of debt or leverage determines the financial risk of a company.
- **Default Risk.** This risk pertains to the ability of a company to service their debt. Ratings provided by several rating services help to identify those companies with more risk. Obligations of the U.S. government are said to be free of default risk, but do carry some remote risk of default as do all sovereign debt issuances.
- **Liquidity Risk.** Many investments can be exited virtually on demand, if the seller is willing to accept a lower execution price for exiting the investment quickly. However, some investments, notably private placements, investments in small companies, and private transactions may not be liquidated easily, and in some cases, not upon request at all. Even contractual terms that appear to guarantee a certain ability to liquidate an investment are frequently subject to conditions limiting the effectiveness of such provisions. Accordingly, clients should communicate with MEC their needs for liquidity to ensure their needs match the investments chosen by MEC.
- **Margin Risk.** MEC may utilize margin on a limited basis for clients with higher risk tolerances. “Margin” is a tool used to maximize returns on a given investment by using securities in a client account as collateral for a loan from the custodian to the client. The proceeds of that loan are then used to buy more securities. In a positive result, the additional securities provide additional return on the same initial investment. In a negative result, the additional securities provide additional losses. Margin therefore carries a higher degree of risk than investing without margin. Any client account that will use margin will do so in accordance with Regulation T. Borrowing on margin requires a minimum level of collateral which is periodically (each day) measured by the custodian. Extreme market fluctuations may cause collateral values to fall below those amounts required by the custodian, which would trigger a liquidation of some or all securities, possibly at a time when market values are depressed resulting in unanticipated losses. MEC may utilize margin on a limited basis for clients with higher risk tolerances.
- **Risks specific to sub-advisors and other managers.** If we invest some of your assets with another advisor, including a private placement, there are additional risks. These include risks that the other manager is not as qualified as we believe them to be, that the investments they use are not as liquid as we would normally use in your portfolio, or that their risk management guidelines are more liberal than we would normally employ. It is also possible that the information given the MEC by the manager or private placement is inaccurate or insufficient for MEC to render appropriate investment advice to the client regarding the investment.
- **Short Sales.** “Short sales” are a way to implement a trade in a security MEC feels is overvalued. In a “long” trade, the investor is hoping the security increases in price. Thus in a long trade, the amount of the investor’s loss (without margin) is the amount paid for the security. In a short sale, the investor is hoping the security decreases in price. However, unlike a long trade where the price of the security can only go from the purchase price to zero, in a short sale, the price of the security can go infinitely upwards. Thus in a short sale, the potential for loss is unlimited and unknown, where the potential for loss in a long trade is limited and knowable. MEC utilizes short sales only when the client’s risk tolerances permit.
- **Information Risk.** All investment professionals rely on research in order to make conclusions about investment options. This research is always a mix of both internal (proprietary) and external (provided by third parties) data and analyses. Even an adviser who says they rely solely on proprietary research must still collect data from third parties. This data, or outside research is chosen for its perceived reliability, but there is no guarantee that the data or research will be completely accurate. Failure in data accuracy or research will translate to a compromised ability by the adviser to reach

satisfactory investment conclusions.

- **Small Companies.** Some investment opportunities in the marketplace involve smaller issuers. These companies may be starting up, or are historically small. While these companies sometimes have potential for outsized returns, they also have the potential for losses because the reasons the company is small are also risks to the company's future. For example, a company's management may lack experience, or the company's capital for growth may be restricted. These small companies also tend to trade less frequently than larger companies, which can add to the risks associated with their securities because the ability to sell them at an appropriate price may be limited compared to the markets as a whole. Not only do these companies have investment risk, if a client is invested in such small companies and requests immediate or short term liquidity, these securities may require a significant discount to value in order to be sold in a shorter time frame.

- **Concentration Risk.** While MEC selects individual securities, including mutual funds, for client portfolios based on an individualized assessment of each security, this evaluation comes without an overlay of general economic or sector specific issue analysis. This means that a client's equity portfolio may be concentrated in a specific sector, geography, or sub-sector (among other types of potential concentrations), so that if an unexpected event occurs that affects that specific sector or geography, for example, the client's equity portfolio may be affected negatively, including significant losses.

- **Transition risk.** As assets are transitioned from a client's prior advisers to MEC there may be securities and other investments that do not fit within the asset allocation strategy selected for the client. Accordingly, these investments will need to be sold in order to reposition the portfolio into the asset allocation strategy selected by MEC. However, this transition process may take some time to accomplish. Some investments may not be unwound for a lengthy period of time for a variety of reasons that may include unwarranted low share prices, restrictions on trading, contractual restrictions on liquidity, or market-related liquidity concerns. In some cases, there may be securities or investments that are never able to be sold. The inability to transition a client's holdings into recommendations of MEC may adversely affect the client's account values, as MEC's recommendations may not be able to be fully implemented.

- **Restriction Risk.** Clients may at all times place reasonable restrictions on the management of their accounts. However, placing these restrictions may make managing the accounts more difficult, thus lowering the potential for returns.

- **Risks Related to Investment Term & Liquidity.** Securities do not follow a straight line up in value. All securities will have periods of time when the current price of the security is not an accurate measure of its value. If you require us to liquidate your portfolio during one of these periods, you will not realize as much value as you would have had the investment had the opportunity to regain its value. Further, some investments are made with the intention of the investment appreciating over an extended period of time. Liquidating these investments prior to their intended time horizon may result in losses.

## **Item 9: Disciplinary Information**

There are no disciplinary items to report.

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

### **A. Broker-dealer**

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Neither the principal of MEC, nor any related persons are registered, or have an application pending to register, as a broker dealer or as an associated person of the foregoing entities.

### **B. Futures Commission Merchant/Commodity Trading Advisor**

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Neither the principal of MEC, nor any related persons are registered, or have an application pending

to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

**C. Relationship with Related Persons**

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This item is not applicable.

**D. Recommendations of other Advisers for Compensation**

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MEC does not utilize nor select other advisers or third party managers for compensation by those managers. Any third party manager that is recommended is recommended based on its merits and the results of MEC's research process.

**Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

A. A copy of our Code of Ethics is available upon request. Our Code of Ethics includes discussions of our fiduciary duty to clients, political contributions, gifts, entertainment, and trading guidelines.

B. Not applicable. MEC does not recommend to clients that they invest in any security in which MEC or any principal thereof has any financial interest.

C. On occasion, an employee of MEC may purchase for his or her own account securities which are also recommended for clients. Our Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of interest related to trading in one's own account. To avoid placing a trade before a client (in the case of a purchase) or after a client (in the case of a sale), all employee trades must be reviewed by the Compliance Officer. All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.

D. On occasion, an employee of MEC may purchase for his or her own account securities which are also recommended for clients at the same time the clients purchase the securities. Our Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of interest related to trading in one's own account. To avoid placing a trade before a client (in the case of a purchase) or after a client (in the case of a sale), all employee trades must be reviewed by the Compliance Officer. All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.

**Item 12: Brokerage Practices**

**A. Recommendation of Broker-Dealer**

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MEC recommends that investment accounts be held in custody by Fidelity Investments ("Fidelity"). Fidelity Investments is member FINRA/SIPC/NFA, an unaffiliated SEC-registered broker-dealer. Fidelity offers enhanced services to independent investment advisors. These services include custody of securities, trade execution platforms, and access to research not available to the general public. Fidelity is wholly independent from MEC. It is expected that most, if not all, transactions in a given client account will be cleared through the custodian of that account in its capacity as a broker-dealer.

MEC recommends Fidelity to its clients based on a variety of factors. These include, but are not limited to, commission costs. Fidelity has what can be considered discounted commission rates. However, in choosing a broker-dealer or custodian to recommend, we are most concerned with the value the client receives for the cost paid, not just the cost. Fidelity adds value beyond commission cost. Other factors that may be considered in determining overall value include speed and accuracy of execution, financial strength, knowledge and experience of staff, research and service. Fidelity also has arrangements with many mutual funds that enable us to purchase these mutual funds for client accounts at reduced transaction charges (as opposed to other broker-dealers). MEC re-evaluates the use of Fidelity at least annually to determine if they are still the best value for our clients.

Fidelity provides us with some non-cash benefits (not available to retail customers) in return for placing client assets with them or executing trades through them. Such non-cash benefits are referred to as “soft dollars”. Currently, these benefits come in the form of investment research and sponsored attendance at various investment seminars. We may also receive such items as investment software, books and research reports. These products, services, or educational seminars are items that will play a role in determining how to invest client accounts. If there is any item that has a multi-use aspect, mixed between investment and non-investment purposes, MEC will determine a reasonable allocation of investment to non-investment use and soft dollars will be allocated only to the investment portion of the product (and MEC will pay the remaining cost). MEC receives a benefit from these services, as otherwise we would be compiling the same research ourselves. This may cause us, or another adviser, to want to place more client accounts with a broker-dealer/custodian such as Fidelity, solely because of these added benefits. However, the value to all of our clients of these benefits is included in our evaluation of custodians. Products and services received via soft dollars will generally be used for the benefit of all clients. However, it is possible that a given client’s trades will generate soft dollars that acquire products and/or services that are not ultimately utilized for that same client’s account. Soft dollars provide additional value, and are accordingly considered in determining which broker-dealer or custodian to utilize as part of our best execution analysis.

We do not consider whether Fidelity or any other broker-dealer/custodian, refers clients to MEC as part of our evaluation of these broker-dealers.

## **B. Aggregating Trades**

Commission costs per client may be lower on a particular trade if all clients in whose accounts the trade is to be made are executed at the same time. This is called aggregating trades. Instead of placing a number of trades for the same security for each account, we will, when appropriate, execute one trade for all accounts and then allocate the trades to each account after execution. If an aggregate trade is not fully executed, the securities will be allocated to client accounts on a *pro rata* basis, except where doing so would create an unintended adverse consequence (For example, if a *pro rata* division would result in a client receiving a fraction of a share, or a position in the account of less than 1%.)

## **Item 13: Review of Accounts**

All accounts will be reviewed by a senior professional on at least an annual basis. However, it is expected that market conditions, changes in a particular client’s account, or changes to a client’s circumstances will trigger a review of accounts.

The annual report in writing provided by MEC is intended to review asset allocation. All clients will receive statements and confirmations of trades directly from Fidelity. Additionally, all clients will receive quarterly itemized bills from MEC. Please refer to Item 15 regarding Custody.

**Item 14: Client Referrals and Other Compensation**

**A. Economic Benefit Provided by Third Parties for Advice Rendered to Client**

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*Please refer to Item 12, where we discuss recommendation of Broker-Dealers.*

**B. Compensation to Non-Advisory Personnel for Client Referrals.**

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MEC does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

**Item 15: Custody**

MEC deducts fees from client accounts, but would not have custody of client funds otherwise. Clients will receive statements directly from Fidelity, and copies of all trade confirmations directly from Fidelity.

Clients whose fees are directly debited will provide written authorization to debit advisory fees from their accounts held by a qualified custodian chosen by the client. Each month, clients will receive a bill itemizing the fees to be debited, including the formula used to calculate the fee, the amount of assets the fee is based, and the time period covered by the fee. The invoice will also state that the fee was not independently calculated by the custodian. The client will also receive a statement from their account custodian showing all transactions in their account, including the fee.

We encourage clients to carefully review the statements and confirmations sent to them by their custodian, and to compare the information on any reports prepared by MEC against the information in the statements provided directly from Fidelity. Please alert us of any discrepancies.

**Item 16: Investment Discretion**

Asset management services will generally be provided on a “discretionary” basis. When MEC is engaged to provide asset management services on a discretionary basis, we will monitor your accounts to ensure that they are meeting your asset allocation requirements. If any changes are needed to your investments, we will make the changes. These changes may involve selling a security or group of investments and buying others or keeping the proceeds in cash. You may at any time place restrictions on the types of investments we may use on your behalf, or on the allocations to each security type. You will receive written or electronic confirmations from your account custodian after any changes are made to your account. You will also receive statements at least quarterly from your account custodian. Clients engaging us on a discretionary basis will be asked to execute a Limited Power of Attorney (granting us the discretionary authority over the client accounts) as well as an Investment Management Agreement that outlines the responsibilities of both the client and MEC.

**Item 17: Voting Client Securities**

Copies of our Proxy Voting Policies are available upon request.

From time to time, shareholders of stocks, mutual funds, exchange traded funds or other securities may be permitted to vote on various types of corporate actions. Examples of these actions include mergers, tender offers, or board elections. Clients are required to vote proxies related to their investments, or to choose not to vote their proxies. MEC will not accept authority to vote client securities. Clients will

receive their proxies directly from the custodian for the client account. MEC will not give clients advice on how to vote proxies.

**Item 18: Financial Information**

MEC does not require the prepayment of fees more than six (6) months or more in advance and therefore has not provided a balance sheet with this brochure.

There are no material financial circumstances or conditions that would reasonably be expected to impair our ability to meet our contractual obligations to our clients.

**Item 1: Cover Sheet**

**INFORMATIONAL BROCHURE  
WRAP FEE PROGRAM**

**MEC INVESTMENTS LLC**

590 MADISON AVENUE II, 18TH FLOOR  
NEW YORK, NY 10022

HAKAN ERGULEC  
(917) 484-1500

JULY 20, 2013

**This wrap fee program brochure provides information about the qualifications and business practices of MEC Investments LLC. If you have any questions about the contents of this brochure, please contact us at (917) 484-1500. Information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. MEC Investments LLC is a registered investment adviser. Registration does not imply any certain level of skill or training.**

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

**Item 2: Material Changes**

MEC Investments LLC is seeking registration and therefore this is the first Wrap Brochure.



**Item 3: Table of Contents**

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#### **Item 4: Services, Fees, and Compensation**

The Wrap Program (the “program”) is a wrap fee program sponsored by MEC Investments LLC (MEC). MEC Investments LLC (“MEC”) has been in business since August, 2013. Hakan Ergulec is the firm’s principal. He brings over 10 years of industry experience. The firm provides asset management and general consulting services on a fee basis.

##### **Description of the Program**

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###### *Financial Planning*

In most cases, the client will supply to MEC information including income, income sources, investments, savings, insurance, tax, assets and liabilities, age and many other items that are helpful to the firm in assessing your financial goals. The information is typically provided during personal interviews and supplemented with written information. Once the information is received, we will discuss your financial needs and goals with you, and compare your current financial situation with the goals you state. Once these are compared, we will create a financial and/or investment plan to help you meet your goals.

The plan is intended to be a suggested blueprint of how to meet your goals. Not every plan will be the same for every client. Each one is specific to the client who requested it. Because the plan is based on information supplied by you, it is very important that you accurately and completely communicate to us the information we need. Also, your circumstances and needs may change as your engagement with us progresses. It is very important that you continually update us with any changes so that if the updates require changes to your plan, we can make those changes. Otherwise, your plan may no longer be accurate.

###### *Asset Management*

Asset management services may be provided on a “discretionary” or on a “non-discretionary” basis. When MEC is engaged to provide asset management services on a discretionary basis, we will monitor your accounts to ensure that they are meeting your asset allocation requirements. If any changes are needed to your investments, we will make the changes. These changes may involve selling a security or group of investments and buying others or keeping the proceeds in cash. You may at any time place restrictions on the types of investments we may use on your behalf, or on the allocations to each security type. You will receive written or electronic confirmations from your account custodian after any changes are made to your account. You will also receive monthly statements from your account custodian. Clients engaging us on a discretionary basis will be asked to execute a Limited Power of Attorney (granting us the discretionary authority over the client accounts) as well as an Investment Management Agreement that outlines the responsibilities of both the client and MEC.

When a client engages us to provide investment management services on a non-discretionary basis, we monitor the accounts in the same way as for discretionary services. The difference is that changes to your account will not be made until we have confirmed with you (either verbally or in writing) that our proposed change is acceptable to you.

As of the date of this brochure, MEC is a newly formed business, and as such, we do not yet have a calculation as to how many client accounts or assets we manage on a discretionary basis

For some clients, MEC may include certain transactional costs in the client’s management fee. Fees included in the wrap fee include transaction fees for the purchase or sale of securities, but do not include

expenses related to the use of margin, wire transfer fees, the fees charged to shareholders of mutual funds or ETFs, mark-ups and mark-downs, spreads, odd-lot differentials, fees charged by regulatory agencies, and any transaction fees for securities trades executed by a broker-dealer other than Fidelity Investments, Inc. Expenses for the management fees of third party managers are also not included in the Wrap Program, and to the extent utilized, you will be responsible for such fees. Because MEC will be managing the assets of wrap fee program clients the same way as other non-wrap fee program clients, the use of external portfolio managers within the wrap program is expected to be limited. To the extent a third party manager is utilized, the fees payable to such managers will not be included in the wrap program. Therefore, there is no difference between how MEC manages wrap free accounts and how MEC manages other accounts.

Because of the nature of a wrap fee program, the wrap fee program client may pay more or less than if the client had compensated MEC outside of the wrap fee program. For example, if a client's account is rarely traded, the transaction fees the client would have paid would be minimal, thus limiting the benefits of "wrapping" management fees and transaction fees. MEC receives a portion of the wrap fee for our services.

MEC does not engage other portfolio managers to manage assets within the wrap fee program. To the extent a third party manager is utilized, the fees payable to such managers will not be included in the wrap program. MEC is the sole portfolio manager in the wrap program, which means that MEC receives a portion of the wrap fee for our services. Transaction fees are paid to various broker-dealers, mutual funds and ETFs. The remainder of the wrap fee is the management fee payable to MEC. The amount payable to MEC varies depending upon the amount of trading in a client's account. The more transactions in the account, the greater the amount of transaction fees, and therefore the less compensation to MEC. Accordingly, MEC has a financial incentive to avoid trading the account. This creates a conflict of interest between the firm and its wrap clients. MEC attempts to mitigate this conflict by requiring that the firm's employees acknowledge their fiduciary duty to place client interests ahead of their own and by periodically comparing wrap program client performance against any clients who are not in the wrap program. Further MEC and its principals believe that the Company has a greater incentive to protect client assets and guard the best interests of its clients. Recommending the best risk adjusted investments that fit each client's specific investment objectives is the most important way MEC can ensure its continued success. MEC has a long-term view on its business. It values developing long-term relationships with its clients over minor near-term cost savings to MEC. MEC believes it is important to offer clients a clear view of their total costs. The MEC wrap program enables clients to easily understand the total costs of managing their assets.

MEC will receive no additional compensation for offering the wrap fee program.

## **Fees and Compensation**

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### *Fees Charged*

All clients will be required to execute a written agreement that will describe the type of services to be provided and the fees, among other items.

### *Financial Planning*

Financial planning fees can be hourly, fixed fee basis, or included with asset management services. Our hourly charge is \$450 per hour. Fixed fees will be between \$500 and \$10,000. The fee range stated is a guide. Fees may be higher or lower than this range, based on the nature of the engagement. Fees are negotiable, and will depend on the anticipated complexity of your plan.

### Asset Management

Generally, fees vary from 0.15% to 2.00% per annum of the market value of a client's assets managed by MEC, which may include some or all assets and those assets may be held with any custodian or held separately without the services of any custodian such as would be the case with certain private investments, rental properties and real estate. The fee range stated is a guide. Fees are negotiable, and may be higher or lower than this range, based on the nature of the account. Factors affecting fee percentages include the size of the account, complexity of asset structures, and other factors.

### Fee Payment

Fees for financial planning and/or consulting will be billed to each client. If the client terminates the agreement prior to completion of the services, any unearned fees will be returned to the client.

Investment advisory fees will generally be debited directly from each client's account, though in limited circumstances a check may be accepted. The advisory fee is paid monthly, in arrears, and the value used for the fee calculation is average of the net value as of the first and last market day of the previous month. This means that if your annual fee is 2.00%, then each month we will multiply the value of your assets managed by MEC by 2.00% then divide by 12 to calculate our fee. Once the calculation is made, we will instruct your account custodian to deduct the fee from your account and remit it to MEC.

Clients whose fees are directly debited will provide written authorization to debit advisory fees from their accounts held by a qualified custodian chosen by the client. Each month, clients will receive an invoice itemizing the fees to be debited, including the formula used to calculate the fee, the amount of assets the fee is based, and the time period covered by the fee. The invoice will also state that the fee was not independently calculated by the custodian. The client will also receive a statement from their account custodian showing all transactions in their account, including the fee.

### Other Fees

There are a number of other fees that can be associated with holding and investing in securities. MEC will be responsible for fees including transaction fees for the purchase or sale of a mutual fund or Exchange Traded Fund, or commissions for the purchase or sale of a stock. Expenses of a fund will not be included in management fees, as they are deducted from the value of the shares by the mutual fund manager. For complete discussion of expenses related to each mutual fund, you should read a copy of the prospectus issued by that fund. MEC can provide or direct you to a copy of the prospectus for any fund that we recommend to you.

Please make sure to read Item 12 of the Informational Brochure, where we discuss broker-dealer and custodial issues.

### Pro-rata Fees

If you become a client during a month, you will pay a management fee for the number of days left in that month. If you terminate our relationship during a month, you will be refunded the portion of the prepaid management fee for the remainder of the month. Once your notice of termination is received, we will refund the unearned fees to you in whatever way you direct (check, wire back to your account).

## **Item 5: Account Requirement and Type of Clients**

Clients participating in the Program may include individuals, trusts, foundations, and corporations. MEC

does not require clients to place a minimum amount of assets with the firm.

**Item 6: Portfolio Manager Selection and Evaluation**

The wrap fee program offered by MEC is sponsored by the firm, and MEC is the only portfolio manager. The only fees covered under the wrap fee program are transaction fees associated with the purchase and sale of securities in an account managed by MEC. All client accounts managed by MEC, including wrap fee program clients, are managed with similar processes, although account recommendations may differ.

**Item 7: Client Information provided to Portfolio Managers**

Please see response to Item 6, above

**Item 8: Client Contact with Portfolio Managers**

Clients may contact any portfolio manager, at any time.

**Item 9: Additional Information**

**Disciplinary Information**

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Neither the firm nor any of its employees or principals has any disciplinary information to report.

**Other Financial Industry Activities and Affiliations**

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*Broker-Dealer*

Not applicable.

*Futures Commission Merchant/Commodity Trading Advisor*

Neither members of management, nor any related persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

*Relationship with Related Persons*

Not applicable

*Recommendations of other Advisers*

See response to Item 8 of the Information Brochure regarding third-party managers.

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

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- A. A copy of our Code of Ethics is available upon request. Our Code of Ethics includes discussions of our fiduciary duty to clients, political contributions, gifts, entertainment, and trading guidelines.
- B. Not applicable. MEC does not recommend to clients that they invest in any security in which

MEC or any principal thereof has any financial interest.

- C. On occasion, an employee of MEC may purchase for his or her own account securities which are also recommended for clients. Our Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of interest related to trading in one's own account. To avoid placing a trade before a client (in the case of a purchase) or after a client (in the case of a sale), all employee trades are reviewed by the Compliance Officer. All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.
- D. On occasion, an employee of MEC may purchase for his or her own account securities which are also recommended for clients at the same time the clients purchase the securities. Our Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of interest related to trading in one's own account. To avoid placing a trade before a client (in the case of a purchase) or after a client (in the case of a sale), all employee trades are reviewed by the Compliance Officer. All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.

### **Review of Accounts**

All accounts will be reviewed by one of MEC's investment adviser representatives on at least an annual basis. However, it is expected that market conditions, changes in a particular client's account, or changes to a client's circumstances will trigger a review of accounts.

All clients will receive statements from their account custodian showing transactions and holding in their accounts.

We encourage you to compare the information on any report prepared by MEC against the information in the statements provided directly from Fidelity and alert us of any discrepancies.

### **Client Referrals and Other Compensation**

Fidelity provides us with some non-cash benefits (not available to retail customers) in return for placing client assets with them or executing trades through them. Such non-cash benefits are referred to as "soft dollars". Currently, these benefits come in the form of investment research and sponsored attendance at various investment seminars. We may also receive such items as investment software, books and research reports. These products, services, or educational seminars are items that will play a role in determining how to invest client accounts. If there is any item that has a multi-use aspect, mixed between investment and non-investment purposes, MEC will determine a reasonable allocation of investment to non-investment use and soft dollars will be allocated only to the investment portion of the product (and we will pay the remaining cost). MEC receives a benefit from these services, as otherwise we would be compiling the same research ourselves. This may cause a conflict of interest as we may want to place more client accounts with a broker-dealer/custodian such as Fidelity, solely because of these added benefits. As such, MEC may have an incentive to select or recommend a broker-dealer based on interests in receiving the research or other products or services, rather than on clients' interest in receiving most favorable execution. MEC attempts to mitigate this potential conflict by performing regular reviews of execution services and value clients receive to ensure clients are receiving the best possible value for costs paid. However, the value to all of our clients of these benefits is included in our

evaluation of custodians. Products and services received via soft dollars will generally be used for the benefit of all clients. However, it is possible that a given client's trades will generate soft dollars that acquire products and/or services that are not ultimately utilized for that same client's account. Soft dollars provide additional value, and are accordingly considered in determining which broker-dealer or custodian to utilize as part of our best execution analysis.

### **Financial Information**

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MEC does not require the prepayment of fees more than six (6) months or more in advance and therefore has not provided a balance sheet with this brochure.

There are no material financial circumstances or conditions that would reasonably be expected to impair our ability to meet our contractual obligations to our clients.