

FIRM BROCHURE
(Part 2A of Form ADV)

March 03, 2014

Adirondack Retirement Specialists

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Part 2A of Form ADV (the “Brochure”) provides information about the qualifications and business practices of Adirondack Retirement Specialists. If you have any questions about the contents of this Brochure, please contact us at (518) 761-6184. 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.

Adirondack Retirement Specialists is registered as an investment adviser registered with Securities and Exchange Commission; however, such registration does not imply a certain level of skill or training and no inference to the contrary should be made.

Additional information about Adirondack Retirement Specialists is also available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 1: COVER PAGE

Please refer to previous page.

ITEM 2: MATERIAL CHANGES

This Brochure has been updated to reflect that as of December 31, 2013, the firm had \$76,849,600 in both discretionary and non discretionary assets under management. Additionally, Item 5 was updated to reflect that Adirondack does not send copies of invoices to clients. Other non-materials changes were made to Item 4 and Item 12. The previous version of this Brochure is dated December 9, 2013.

Pursuant to SEC Rules, Adirondack will ensure that clients receive a summary of any materials changes to this Brochure within 120 days of the close of our fiscal year, along with a copy of this Brochure or an offer to provide the Brochure. Additionally, as we experience material changes in the future, we will send you a summary of our “Material Changes”, along with an offer to provide the Brochure under separate cover.

Additional information about Adirondack and its investment adviser representatives is available on the SEC’s website at www.adviserinfo.sec.gov.

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Item 4: Advisory Business

A. Description of Firm

Adirondack Retirement Specialists (“Adirondack” or the “Firm”) is a Queensbury, New York-based investment management firm founded in 1997. As further detailed in Item 4.B., below, Adirondack offers services covering the areas of financial planning, portfolio construction and asset management. The Firm typically provides its services to individuals and high net worth individuals. Some of the investment instruments Adirondack advises its clientele on include, among other things, mutual funds, exchange traded funds ("ETFs"), equities, bonds, options, treasuries and certificates of deposits. The Firm is registered with the SEC as an investment adviser and organized under the laws of New York as a corporation. The Firm conducts business primarily in the State of New York and Florida, and provides services to clients in California, Minnesota and other states.

Adirondack’s principal owner is Sean Berger, who also serves as the Firm’s President and Chief Compliance Officer. For information on his qualifications and business background, please refer to his Form ADV Part 2B Brochure Supplement.

B. Types of Advisory Services Offered

Adirondack provides two types of advisory services: Financial Planning Services and Investment Management Services, both of which are more fully described below.

1. Financial Planning Services

Adirondack’s Financial Planning Services are typically provided to individuals regarding the management of their financial resources and are based upon an analysis of individual client needs. The services range from comprehensive financial planning to more focused consultations, depending on the needs of each client. Generally, Adirondack first conducts a complimentary initial consultation during which pertinent information about the client’s financial circumstances and objectives is collected. For more comprehensive services, the Firm reviews and analyzes the information provided by the client and then typically offers a written financial plan containing recommendations designed with the intention of achieving the clients’ stated financial goals and objectives.

Financial plans are based on the client’s financial situation at the time the plan is presented and are based on the information disclosed by the client to Adirondack. Clients are advised that certain assumptions may be made with respect to interest and inflation rates, use of past trends and performance of the market and economy. Past performance is in no way an indication of future performance. Adirondack cannot offer any guarantees or promises that the client’s financial goals and objectives will be met. As the client’s financial situation, goals, objectives, or needs change, the clients are strongly urged to promptly notify the Firm. For more information on the risks associated with investing, please refer to Item 8, below.

For Financial Planning Services, clients are free at all times to accept or reject any or all recommendations made by the Firm and clients retain the authority and discretion on whether or not to implement Adirondack's recommendations. If the client decides to follow the recommendations, the client has the option, but is under no obligation, to request that Adirondack implement such recommendations through the Firm's Investment Management Services. Should a client request Adirondack to implement such recommendations, the client will receive the services outlined in Item 4.B.2., below.

From time to time Adirondack may suggest using American Portfolios Financial Services, Inc. ("APFS"), an SEC registered broker-dealer and member of the Financial Industry Regulatory Authority ("FINRA"), to implement certain investment recommendations. Adirondack's President, Sean Berger, is a registered representative of APFS. Accordingly, if a client chooses to open an account with APFS, then Mr. Berger may receive fees and other concessions as a result of his relationship with APFS. Clients should be aware that this represents a conflict of interest. Clients are under no obligation to transact any business through APFS or Adirondack and other advisers or broker-dealers may offer similar services, with costs that are higher or lower than those obtainable from Adirondack or APFS. Please refer to Item 5 below for detailed information on fees and compensation.

2. Investment Management Services

Adirondack provides clients with ongoing Investment Management Services, which may be performed on either a discretionary or non-discretionary basis. The Firm's diversified portfolios typically consist of equities, fixed-income and/or cash management instruments, including mutual funds, stocks, ETFs, bonds and other financial products. In addition, when appropriate, Adirondack may use certain option strategies to mitigate market risks.

Adirondack customizes clients' portfolios according to their individual risk tolerance, time horizon and specific goals. Prior to engaging Adirondack to provide Investment Management Services, the client is required to enter into an Asset Management Agreement with the Firm setting forth the terms and conditions of the engagement, as well as describing the specific scope of the services to be provided.

While clients can place certain restrictions on their accounts, such as restricting the Firm from purchasing or selling a specific security, Adirondack does not allow clients to place restrictions on the types of securities, industries or sectors that may be included as part of the client's account. Note that cash positions may be a tactical asset, and there may be times when Adirondack recommends that a client go to cash. Clients are charged Adirondack's customary asset under management fees pursuant to the terms of the Investment Advisory Agreement regardless of what type of positions are held in the account.

For clients that maintain a certain asset level in their investment management account, in addition to its investment management services, Adirondack offers its complementary "Gold Medal Services". These services may include, but are not limited to, a comprehensive review of investments, tax reduction planning, retirement income and distribution planning, family wealth planning and protection planning.

C. Wrap-Fee Programs

Adirondack does not provide its services to any wrap fee program, as that term is defined the instructions to Form ADV Part 2.

D. General Information About Adirondack's Advisory Services

As indicated above, advisory services provided by Adirondack are customizable based upon the individual needs, objectives, and other financial goals of the client. Early on in the relationship, Adirondack will typically memorialize each client's investment objectives, risk tolerance, time horizons and other important information, including any investment guidelines, in a client profile or similar document. This information, together with any other information relating to the client's overall financial circumstances, will be used by the Firm to determine the most appropriate asset allocation and investment strategy to best meet the client's financial goals.

Adirondack will not assume any responsibility for the accuracy of the information provided by the client. The Firm is not obligated to verify any information received from the client or from the client's other professionals (*e.g.*, attorney, accountant, etc.) and is expressly authorized to rely on such information. Under all circumstances, clients are responsible for promptly notifying the Firm in writing of any material changes to the client's financial situation, investment objectives, time horizon, tax status, risk tolerance or other material information that the Firm may have relied upon in rendering its services. In the event that a client notifies the Firm of such changes, Adirondack will review the changes and may recommend revisions to the client's financial plan and/or portfolio.

E. Amount of Client Assets Managed

As of December 31, 2012, the following represents the amount of client assets under management by Adirondack on a discretionary and non-discretionary basis:

Type of Account	Assets Under Management ("AUM")
Discretionary	\$69,611,852
Non-Discretionary	\$6,877,748
Total:	\$76,489,600

ITEM 5: FEES AND COMPENSATION

A. Compensation for Financial Planning Services

Clients who engage Adirondack for Investment Management Services receive the Firm's Financial Planning Services on a complimentary basis. Fees for Financial Planning Services for those clients wishing to receive this service as a standalone will be agreed upon in writing before the Firm renders its services.

As further explained in Item 5.C., below, all fees paid to Adirondack for Financial Planning Services are separate and distinct from the fees and expenses charged by mutual funds to their

shareholders or by other investments. These fees and expenses are described in each investment's prospectus and will generally include a management fee, other fund expenses, and possibly a distribution fee. Should a client elect to implement the recommendations contained in their financial plan, the client will also be subject to brokerage and other transaction costs. Please refer to Item 5.C. and Item 12 for more information on fees clients may be responsible for and Adirondack's brokerage practices. Financial Planning Services fees are subject to negotiation in Adirondack's sole discretion.

B. Compensation for Investment Management Services

For Investment Management Services, Adirondack will charge a quarterly investment management fee, paid in advance at the beginning of each calendar quarter. The Firm's fees for Investment Management Services are based upon a percentage of the client's assets under management with Adirondack. Accordingly, for the Firm's Investment Management Services clients will pay Adirondack in advance 0.25% per quarter of their account's assets under management.

As stated above, Investment Management Services fees are billed quarterly in advance. By engaging the Firm to perform Investment Management Services, clients generally authorize Adirondack to request that the custodian remit payment for Investment Management Services fees from the client's account(s). If authorized to do so, Adirondack's fees will be automatically deducted from the client's account by the custodian at the beginning of each calendar quarter. The amount due is calculated by applying the above quarterly fee percentage to the previous quarter-end account value(s). For accounts opened after the beginning of a new quarter, fees will be prorated from the date of engagement to the end of quarter. However, Adirondack may elect to waive its fee for accounts. Under certain conditions (such as for friends and family of the firm), Adirondack may, at its sole discretion, choose to waive its fee.

Adirondack submits information to the custodian as to the amount the client will be billed, which is deducted by the custodian, and reflected on the client's custodial statement.

Unless fees are otherwise waived due to the circumstances explained above and noted pursuant to the client's investment advisory agreement, Adirondack's minimum annual fee for Investment Management Services is \$500.

C. General Information on Adirondack's Compensation and Fees

Clients may incur certain fees or charges imposed by third-parties other than Adirondack in connection with investments or recommendations made by the Firm. These fees and charges are separate and distinct from the fees or charges stated above and may include, but not be limited to: mutual fund 12b-1 fees, certain deferred sales charges on previously purchased mutual funds transferred into the account, other transaction related fees, IRA and Qualified Retirement Plan fees, interest charged on margin borrowing, interest charged on debit balanced, "spreads" imposed by brokers and dealers representing implicit transaction costs, commissions and transfer taxes. Information regarding fees or charges assessed by any mutual funds held in client accounts is available in the appropriate prospectus. Adirondack is not responsible for, and does not receive any portion of, the fees imposed by such third-parties.

As mentioned in Item 4 above, Adirondack's President, Sean Berger, is a registered representative of APFS, a broker-dealer registered with the SEC and member of FINRA. In this capacity, Mr. Berger may, in addition to implementing certain financial planning recommendations, place investment management clients in investment products sold through APFS and receive a usual and customary commission for doing so. Many such products have fixed commissions as they are sold through a prospectus. In this capacity, Mr. Berger spends approximately forty (40) hours per month. Adirondack and APFS are unaffiliated companies.

Mr. Berger (NYS life, accident and health, variable life and variable annuities license # 739400) is also a licensed insurance agent with various insurance agencies. As a licensed insurance agent, Mr. Berger may recommend to clients certain insurance products sold through these various insurance companies. If a client elects to purchase such an insurance product, Mr. Berger may receive a usual and customary commission for doing so. In this capacity, Mr. Berger spends less than 1 hour per month.

To the extent that Mr. Berger recommends the purchase of securities, insurance or other investment products where he may receive commissions for doing so, a conflict of interest exists because Mr. Berger receives compensation should the clients elect to follow his recommendations, even if such a recommendation is based on the best interest of the clients and their needs. Adirondack has adopted certain procedures designed to mitigate the effects of these conflicts. For example, as part of Adirondack's fiduciary duty to clients, Mr. Berger will endeavor at all times to put the interests of clients first, and recommendations will only be made to the extent that they are reasonably believed to be suitable and in the best interests of the client. Additionally, material conflicts presented by these practices are disclosed to clients at the time of entering into any new advisory, brokerage or consultative arrangement.

In order to further mitigate these potential conflicts of interest, neither Mr. Berger nor Adirondack charge both commissions and advisory fees on the same account. Accordingly some accounts are designated as "commission accounts" where Mr. Berger receives commissions as compensation on a given account or advisory fees based on a percentage of assets under management, but not both on the same account. Note that some clients may have 2 or more separate accounts that charge using these different methods; therefore, in order to mitigate the conflicts of interest, Adirondack and Mr. Berger only gets compensated from one method or the other in any particular account, and not both.

As stated above, Adirondack charges fees in advance for the services it provides to clients. Either party, upon written notice to the other, may terminate the relationship and the services to be performed by the Firm. In these circumstances, Adirondack's fee may be prorated through the date of termination and any remaining, unearned fees will be refunded to the client in a timely manner. Should a client terminate the Firm's services mid-quarter, clients will be refunded a pro rata share of the fees upon written request.

The advisory fees charged for Adirondack's Investment Management Services and Financial Planning Services are calculated as described above and are not charged on the basis of a share of capital gains or the performance of the client's account. Clients may purchase some investments directly without the services of Adirondack. In that case, the client would not

receive the services provided by Adirondack, which are designed, among other things, to assist the client in determining which investments may be appropriate to the client's financial situation and objectives. Clients should review the fees charged by the investments (*e.g.* mutual funds), the fees charged by the Firm, and fees charged by other third-parties to fully understand the total amount of fees being paid. Only then will the client be able to fully evaluate the advisory services being provided and the fees being paid.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Adirondack does not charge performance-based fees (*i.e.*, fees calculated based on a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client). Consequently, the Firm does not engage in side-by-side management of accounts that are charged a performance-based fee with accounts that are charged another type of fee (such as assets under management). As described in Item 5, above, Adirondack provides its investment advisory services for fees based upon a percentage of assets under management.

ITEM 7: TYPES OF CLIENTS

A. Description

Adirondack provides its services to individuals and high net worth individuals.

B. Conditions for Managing Accounts

Adirondack generally requires a minimum portfolio size or a minimum initial investment of \$50,000 to open an account, but does reserve the right to waive this minimum and also accept or decline a potential client for any reason in its sole discretion. Prior to engaging Adirondack to provide Investment Management Services or Financial Planning Services, as described in this Brochure, the client will be required to enter into one or more written agreements with Adirondack setting forth the terms and conditions under which the Firm will render its services.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. Methods of Analysis and Investment Strategies

Adirondack uses a variety of analytical information to assist with its security analysis. However, the primary type of method of analysis the Firm engages in is analysis of securities' fundamentals. The sources of information used by Adirondack to perform its analysis include, but are not limited to, market news reports, financial publications, rating services, outside research reports, annual reports, prospectuses, SEC filings, company press releases, and interpretation of exchange market data.

The investment strategies Adirondack may pursue on behalf of clients include long- and short-term purchases, trading and option writing, including covered options, uncovered options or spreading strategies. The Firm may recommend, on occasion, redistributing investment allocations to diversify the portfolio in an effort to reduce risk. Adirondack may also recommend specific stocks to increase sector weighting and/or dividend potential, or may recommend

employing cash positions as a possible hedge against market movement which may adversely affect the portfolio. Additionally, Adirondack may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position(s) in the portfolio, change in the risk tolerance of the client, or any risk deemed unacceptable for the client's risk tolerance. Although Adirondack primarily recommends open-end mutual funds, the Firm may also recommend individual stocks, ETFs, options and other individual securities.

B. Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear. Prior to engaging Adirondack to perform investment advisory services, a client should carefully consider: 1) committing to management only those assets that the client believes will not be needed for current purposes and that can be invested on a long-term basis, usually a minimum of three to five years, 2) that volatility from investing in the stock market can occur, and 3) that over time the client's assets may fluctuate and at anytime be worth more or less than the amount invested

Some of risks of loss a client should be aware of include, but are not limited, to the following:

- 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 stock, bond, mutual fund or other security 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.
- 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.
- Political and Legislative Risks: Companies face a complex set of laws and circumstances in each country in which they operate. The political and legal environment can change rapidly and without warning and with significant impact, this is especially true for companies operating outside of the United States or that conduct a portion of their business outside of the United States.
- 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.
- Business Risk: These risks are associated with a particular industry or a particular company within an industry. Generally, business risk is that a company will go bankrupt or perform below expectations. Every company carries the business risk that it will produce insufficient cash flow in order to maintain operations. Business risk can come from a variety of sources, some systemic and others un-systemic. That is, every company has the business risk that the broader economy will perform poorly and therefore that sales will be poor, and also the risk that the market simply will not like its products.

- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if there is an active market for the asset. 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.

For certain clients, Adirondack may employ the use of options for hedging purposes. For example, we may buy put options if a client owns a stock in order to help reduce market risk of a large loss in the position. While options do carry certain risks as mentioned above, Adirondack does not invest client assets in options other than for such hedging purposes.

As mentioned above, Adirondack may use short-term trading as one of its investment strategies. Clients should be aware that frequent trading may result in increased brokerage and other transaction costs, and that such costs generally reduce investment returns over time.

ITEM 9: DISCIPLINARY INFORMATION

Registered investment advisers such as Adirondack are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's or prospective client's evaluation of the Firm or the integrity of its management. Adirondack does not have any such legal or disciplinary events and thus has no information to disclose with respect to this Item.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. Financial Industry Activities and Affiliations

In addition to his activities at Adirondack, Sean Berger, the Firm's President, is a registered representative of APFS; (please refer to Items 4 and 5, above). In this capacity, Mr. Berger may receive a usual and customary commission for implementing financial planning recommendations and/or placing clients in investment products sold through APFS. Many such products have fixed commissions as they are sold through a prospectus. In this capacity, Mr. Berger spends approximately forty (40) hours per month. Adirondack and APFS are unaffiliated companies.

Mr. Berger (NYS life, accident and health, variable life and variable annuities license # 739400) is also a licensed insurance agent with various insurance agencies. As a licensed insurance agent, Mr. Berger may recommend to clients certain insurance products sold through these various insurance companies. If a client elects to purchase such an insurance product, Mr. Berger may receive a usual and customary commission for doing so. In this capacity, Mr. Berger spends less than 1 hour per month.

To the extent that Mr. Berger recommends the purchase of securities, insurance or other investment products where he may receive commissions for doing so, a conflict of interest exists because Mr. Berger receives compensation should the clients elect to follow his

recommendations, even if such a recommendation is based on the best interest of the clients and their needs. Adirondack has adopted certain procedures designed to mitigate the effects of these conflicts. For example, as part of Adirondack's fiduciary duty to clients, Mr. Berger will endeavor at all times to put the interests of the clients first, and recommendations will only be made to the extent that they are reasonably believed to be suitable and in the best interests of the client. Additionally, material conflicts presented by these practices are disclosed to clients at the time of entering into any new advisory, brokerage or consultative arrangement.

In order to further mitigate these potential conflicts of interest, neither Mr. Berger nor Adirondack charge both commissions and advisory fees on the same account. Accordingly, the Firm's accounts are either subject to commission charges or advisory fees based on a percentage of assets under management, but not both.

Clients are not obligated to implement recommended transactions through any Adirondack representative or any particular broker-dealer. Clients have the option to purchase recommended investment or insurance products or services through brokers or agents other than APFS or the insurance agencies for which Mr. Berger serves as an agent.

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

A. Description of Code of Ethics

The Firm has adopted a Code of Ethics which must be adhered to by all access persons. The Code of Ethics sets forth the professional behavior which must be followed by all employees, including the Firm's President and Adirondack's access persons.

Adirondack's Code of Ethics mandates that the Firm be in total compliance with The Insider Trading and Securities Fraud Enforcement Act of 1988. To accomplish this mandate, Adirondack has adopted a firm wide policy statement outlining insider trading compliance for the Firm, its associated persons and other employees. This policy statement has been distributed to all associated persons and other employees of the Firm and has been signed and dated by each such person. A copy of the policy statement is left with each of the Firm's associated persons and the original is maintained in a master file. Further, Adirondack has adopted a written supervisory procedures statement highlighting the steps which shall be taken to implement the Firm's policy. These materials are also distributed to all associated persons and other employees of Adirondack, are signed, dated and filed with the insider trading compliance materials.

Adirondack's Code of Ethics contains provisions adopted for:

- Restricting access to files;
- Providing continuing education;
- Restricting and/or monitoring trading on those securities of which the Firm's employees may have material non-public information;
- Requiring all of Adirondack's employees to conduct their trading through a specified broker or reporting all transactions promptly to the Firm; and
- Monitoring the securities trading of Adirondack and its employees and associated persons.

Adirondack will provide a copy of its Code of Ethics to any client or prospective client upon request. To obtain a copy of Adirondack's Code of Ethics, please contact the Firm at (518) 761-6184.

Adirondack obtains information from a wide variety of publicly available resources. The Firm and its personnel do not have, nor claim to have, insider or private knowledge.

B. Participation or Interest in Client Transactions

Adirondack or individuals associated with the Firm may buy or sell securities identical to those recommended to clients for their personal account. In order to mitigate the potential conflicts of interest associated with this practice, Adirondack's Code of Ethics requires the Firm's access persons to pre-clear certain transactions and report all transactions on a quarterly basis. Adirondack, therefore, strives to prevent such employees from benefiting from transactions placed on behalf of the Firm's advisory accounts.

Adirondack or its related person(s) may also have an interest or position in certain securities which may also be recommended to a client. As this practice may present a conflict of interest, the Firm has established the following restrictions in order to ensure its fiduciary responsibilities:

- A director, officer or employee of Adirondack may not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry.
- No person of the Firm may prefer his or her own interest to that of the Firm's clients.
- The Firm requires that all individuals must act in accordance with all applicable federal and state regulations governing registered investment advisory practices.
- Any individual not in compliance with the above policies may be subject to termination by the Firm.

ITEM 12: BROKERAGE PRACTICES

A. Selection Criteria

When performing Investment Management Services, Adirondack generally recommends that client transactions be executed through TD Ameritrade, Inc. ("TD Ameritrade"). This is due to the fact that the Firm uses TD Ameritrade's brokerage trading platform software. However, Adirondack periodically evaluates the commissions charged and the service provided by broker-dealer custodians and compares those with other broker-dealers to evaluate whether overall best qualitative execution could be achieved by using alternative broker-dealer custodians. Other factors the Firm may consider when evaluating its choice of broker-dealer custodian include:

- Ability to trade mutual funds and other investments that Adirondack determines suitable for a client's portfolio;
- Any custodial relationship between the client and the broker-dealer;
- Quality of customer service and interaction with Adirondack;

- Discount transaction rates; and
- Reliability and financial stability.

The broker-dealer custodian recommended by the Firm may not provide the lowest commission rate available taking into consideration factors outlined above.

For those clients who direct brokerage and select broker-dealers not recommended by Adirondack, clients should be aware that the Firm may not be able to negotiate specific brokerage commission rates with the broker on the client's behalf, or seek better execution services or prices from other broker-dealers. As a result, the client may pay higher commissions and/or receive less favorable net prices on transactions for their account than might otherwise be the case and the Firm will have limited ability to ensure that the broker-dealer selected by the client will provide best possible execution.

B. Soft Dollar Considerations

As indicated in Item 12.A, above, Adirondack maintains relationships with, and recommends the services of various qualified third party broker-dealer custodians. In connection with these relationships, Adirondack may receive certain benefits. As further described below, such benefits may include research reports, services and seminars, computer software and other products and services to assist the Firm in research and other facets of its day-to-day activities. Selecting a broker-dealer in recognition of the provision of services or products other than transaction execution is known as paying for those services or products with "soft dollars." The Firm's receipt of soft dollar services and products benefit Adirondack since client brokerage fees are used to obtain such benefits and the Firm does not have to produce or pay for the research, products or services. Consequently, Adirondack may have an incentive to select or recommend a broker-dealer based on these benefits rather than in the clients' interest in receiving most favorable execution. These practices may also cause clients to pay fees that are higher than those that another qualified broker-dealer might charge to effect the same or similar transaction. Some of these services are provided to Adirondack as part of a "bundled package" from the broker-dealer. Adirondack does not attempt to match a particular client's trade executions with broker-dealers who have provided research services which have directly benefited that client's portfolio. Rather, research services and other soft dollar benefits received by Adirondack are generally used for the ultimate benefit of all of its clients. Alternatively, some of the services may benefit only a specific segment of Adirondack's clients.

Adirondack has entered into an agreement with American Portfolios Advisors, Inc. ("APA") a SEC Registered Investment Adviser located in Holbrook, NY (a wholly owned subsidiary of American Portfolios Holdings, Inc. which also owns American Portfolios Financial Services, Inc. a registered broker dealer and American Outsources, LLC a technology company servicing the financial services industry) for support services by providing blottering of transactions, web access services, data aggregation, business processing, maintaining our correspondence blotter, and conducting Anti-Money Laundering supervision for the Firm's accounts. For these, benefits, Adirondack will pay American Portfolios Advisors, Inc. a negotiated percentage of the Firm's management fee income earned from client accounts.

APFS or its affiliated advisory firm American Portfolios Advisors, Inc. also makes available to Adirondack other products and services that benefit Adirondack but may not benefit all of the Firm's client accounts. Some of these products and services assist Adirondack in managing and administering its accounts. These include software and other technology that provide access to client account data and assist with back-office functions, recordkeeping and client reporting. Clients do not pay higher commissions as a result of these products and services furnished to Adirondack by APFS or its affiliated advisory firm American Portfolios Advisors, Inc.

To help mitigate the conflicts of interest created by Adirondack's receipt of soft dollar benefits and to help ensure that broker-dealer custodians recommended by the Firm are conducting overall best qualitative execution, Adirondack will periodically evaluate its trading process and brokers utilized. Adirondack will review the brokerage firm's services, their value added to the Firm's investment process along with the broker's ability to affect trades in a fair and timely manner at competitive commission rates. At that time brokerage firms not currently utilized will be considered for inclusion if the President of Adirondack deems that such brokerage firms will significantly improve the Firm's overall management of client accounts.

C. Directed Brokerage

Under certain circumstances, Adirondack may allow a client to direct the Firm to execute all or a portion of client transactions through a specific broker ("Directed Brokerage"). If that is the case, the client should understand that: (1) Adirondack generally does not negotiate specific brokerage commission rates with the broker on client's behalf, or seek better execution services or prices from other broker/dealers and, as a result, the client may pay higher commissions and/or receive less favorable net prices on transactions for their account than might otherwise be the case; and (2) transactions for that account generally will be effected independently unless Adirondack is able to purchase or sell the same security for several clients at approximately the same time ("block trade"), in which case the Firm may include such client's transaction with that of other clients for execution by the same broker. If transactions are not able to be traded as a block, the Firm may have to enter the transactions for the client's account after orders for other clients, with the result that market movements may work against the client. Therefore, prior to directing the Firm to use a specific broker-dealer, a client should consider whether, under that restriction, execution, clearance and settlement capabilities, commission expenses and whatever amount is allocated to custodian fees, if applicable, would be comparable to those otherwise obtainable. Clients should understand that he/she might not obtain commissions rates as low as it might otherwise obtain if Adirondack had discretion to select or recommend other broker-dealers. Consequently, Directed Brokerage may result in the client paying more money for brokerage services.

Subject to its objective to achieve best execution, Adirondack may decline a client's request to engage in Directed Brokerage if, in Firm's sole discretion, such Directed Brokerage arrangements would result in additional operational difficulties or violate restrictions imposed by other broker-dealers.

D. Order Aggregation

Adirondack typically effects transactions for each client account independently, and therefore is usually unable to aggregate client orders. However, when able to, the Firm may aggregate trades of accounts. Trade aggregation, or “bunching of orders,” may result in better execution and/or better realized prices. Because Adirondack’s Investment Management Services utilize various types of investments and securities, it may not be possible to bunch orders. Alternatively, even when possible, Adirondack may not be able to execute all shares of an aggregated trade because of prevailing market conditions and other variables, in which case the Firm will allocate the trade among participating accounts in an equitable manner determined prior to execution of the trade. In certain cases, the Firm may not be able to purchase or sell the same security for all clients that could transact in the security, which is generally based on various factors such as the type of security, size of the account, cash availability and account restrictions. For clients requiring directed brokerage, the Firm may not be able to effectively “bunch” orders on the client’s behalf, which could impact the possible advantage clients derive from the aggregation of orders.

ITEM 13: REVIEW OF ACCOUNTS

A. Periodic Reviews

Client accounts are monitored on an ongoing basis. Periodically, reviews are conducted by Adirondack to check for consistency with the investment strategy implemented in accordance with the parameters set forth by the client and the client’s financial plan, and to determine if any adjustments need to be made. Client account reviews also occur upon request by the client.

B. Other Reviews and Triggering Factors

In addition to the periodic reviews described above, reviews may be triggered when a client notifies the Firm of changes in his/her personal, tax or financial status. Other events that may trigger a review of an account are material changes in market conditions as well as macroeconomic and company-specific events. Clients are encouraged to notify Adirondack and its representatives of any changes in their personal financial situation that might affect their investment needs, objectives, risk tolerance, tax status, time horizon or other material information Adirondack may have relied upon during the course of providing its services.

C. Regular Reports

Written brokerage statements are generated no less than quarterly and are sent directly from the account custodian. These reports list the account positions, activity in the account over the covered period, and other related information. In addition to the regular statements clients receive from their custodian, Adirondack may send clients reports on a periodic basis concerning relevant account and/or market-related information as well as an inventory of account holdings and account performance, as agreed to with the client. Clients are urged to compare the statements received from Adirondack to those sent by the account custodian and other third parties.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

A. Incoming Referrals

Adirondack 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.

B. Referring Clients to Third Parties

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

C. Other Compensation

As more fully explained in Item 12.B, above, Adirondack is provided with an economic benefit through its receipt of soft dollars in accordance with Section 28(e) of the Securities Exchange Act of 1934. The Firm may enter into these “soft dollar” arrangements whereby brokerage transactions are directed to certain broker-dealers in return for investment research products and/or services which assist Adirondack in its investment decision-making process. The receipt of such services may be perceived to serve as an economic benefit to the Firm, and although customary, these arrangements give rise to potential conflicts of interest, including the incentive to allocate securities transactional business to broker-dealers based on the receipt of such benefits rather than on a client’s interest in receiving most the favorable execution. To mitigate this potential conflict of interest, and as part of Adirondack’s fiduciary duty to its clients, the Firm endeavors at all times to put the interest of the clients first.

As stated in Items 4, 5 and 10, above, Adirondack’s President is a registered representative of APFS. In this capacity, Mr. Berger may receive a usual and customary commission for implementing financial planning recommendations and/or placing clients in investment products sold through APFS. Many such products have fixed commissions as they are sold through a prospectus. In this capacity, Mr. Berger spends approximately forty (40) hours per month. Adirondack and APFS are unaffiliated companies.

From time to time, Adirondack or Mr. Berger may attend or hold sponsored events, the expenses of which may be borne either partially or entirely by a third-party entity, such as a mutual fund company or other financial industry service provider. Representatives of these third-party entities may also be present at these sponsored events with neither Adirondack nor Mr. Berger compensating these individuals for their attendance. From time to time, representatives of various investment firms may sponsor a meal to apprise representatives of Adirondack of product developments or changes.

Mr. Berger (NYS life, accident and health, variable life and variable annuities license # 739400) is also a licensed insurance agent with various insurance agencies. As a licensed insurance agent, Mr. Berger may recommend to clients certain insurance products sold through these various insurance companies. If a client elects to purchase such an insurance product, Mr. Berger

may receive a usual and customary commission for doing so. In this capacity, Mr. Berger spends less than 1 hour per month.

To the extent that Mr. Berger recommends the purchase of securities, insurance or other investment products where he may receive commissions for doing so, a conflict of interest exists because Mr. Berger receives compensation should the clients elect to follow his recommendations, even if such a recommendation is based on the best interest of the clients and their needs. Adirondack has adopted certain procedures designed to mitigate the effects of these conflicts. For example, as part of Adirondack's fiduciary duty to clients, Mr. Berger will endeavor at all times to put the interests of clients first, and recommendations will only be made to the extent that they are reasonably believed to be suitable and in the best interests of the client. Additionally, material conflicts presented by these practices are disclosed to clients at the time of entering into any new advisory, brokerage or consultative arrangement.

In order to further mitigate these potential conflicts of interest, Adirondack does not charge both commissions and advisory fees on the same account. Accordingly, the Firm's accounts are either subject to commission charges or advisory fees based on a percentage of assets under management, but not both.

Clients are not obligated to implement recommended transactions through any Adirondack representative or any particular broker-dealer. Clients have the option to purchase recommended investment or insurance products or services through brokers or agents other than APFS or the insurance agencies for which Mr. Berger serves as an agent.

ITEM 15: CUSTODY

Pursuant to the Investment Advisers Act of 1940, Adirondack is deemed to have custody of client funds because the Firm has the authority and ability to debit its fees directly from the accounts of those clients receiving Adirondack's Investment Management Services. To mitigate any potential conflicts of interest, all client assets are actually maintained with an independent qualified custodian. In some cases a client's broker-dealer also may act as the custodian of the client's assets for little or no extra cost.

When exercising its discretionary authority, Adirondack may only implement its investment management recommendations after the client has arranged for and furnished the Firm with all information and authorization regarding its accounts held at the designated qualified custodian.

Clients will receive statements on at least a quarterly basis directly from the qualified custodian that holds and maintains their assets. Clients are urged to carefully review all custodial statements and compare them to the statements provided by other third parties. Statements sent by third-parties may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Please refer to Item 12 for additional important disclosure information relating to Adirondack's relationship with broker-dealer custodians.

ITEM 16: INVESTMENT DISCRETION

For Adirondack's Investment Management Services, the Firm has discretionary authority to determine, without first obtaining client's permission for each transaction: 1) the type of securities to be bought and sold, 2) the dollar amounts of the securities to be bought and sold, and 3) whether a client's transaction should be combined with those of other clients and traded as a "block." The Firm's clients grant Adirondack this discretionary authority by signing the Firm's Asset Management Agreement.

For clients that are receiving Financial Planning Services on a non-discretionary basis, Adirondack will make recommendations to the client regarding the purchase or sale of securities or other assets that they consider to be in the best interest of the client. The client has full discretion to accept or reject the Firm's recommendations and is responsible for implementing any accepted recommendations with any broker-dealer the client chooses.

ITEM 17: VOTING CLIENT SECURITIES

Adirondack's policy and practice is to not vote proxies on behalf of its clients and therefore, shall have no obligation or authority to take any action or render any advice with respect to the voting of proxies solicited by or with respect to issuers of securities held in a client's account. Consequently, the Firm's clients retain the responsibility for receiving and voting all proxies for securities held within the client's account. Adirondack shall not be deemed to have proxy voting authority solely as a result of providing advice or information about a particular proxy vote to a client.

Adirondack does not advise or act for clients with respect to any legal matters, including bankruptcies and class actions, for the securities held in clients' accounts.

ITEM 18: FINANCIAL INFORMATION

Adirondack does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore is not required to provide, and has not provided, a balance sheet. Adirondack does not have any financial commitments that impair its ability to meet contractual and fiduciary obligations to clients, and has not been the subject of a bankruptcy proceeding.