

# GELLER FAMILY OFFICE SERVICES LLC

## Form ADV Part 2 Brochure

March 31, 2014

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### Item 1 – Cover Page

Geller Family Office Services LLC

909 Third Avenue, 16<sup>th</sup> Floor New York, NY 10022

(212) 583-6001

<http://www.gellerfamilyofficeservices.com>

This Brochure provides information about the qualifications and business practices of Geller Family Office Services LLC if you have any questions about the contents of this brochure; please contact us at 212-583-6001. 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. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about Geller Family Office Services LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2- Material Changes

Since our update on May 15, 2013, Geller and Company LLC has hired Joe Calabrese as Chief Executive Officer of Geller Family Office Services LLC. In his role as CEO, Mr. Calabrese is leading two primary areas of focus for the firm, ensuring the highest level of client satisfaction in all areas of service delivery, and setting and implementing the growth strategy for the firm. Prior to joining Geller & Company LLC, Mr. Calabrese was the Chief Executive Officer of Harris myCFO, LLC, the multi-family office business unit of the Bank of Montreal, the 12<sup>th</sup> largest financial institution in North America.

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## Item 4 - Advisory Business

Geller Family Office Services LLC is a wholly owned subsidiary of Geller & Company LLC and has been a Registered Investment Adviser (RIA) with the Securities and Exchange Commission of The United States since 2005.

Martin Geller is the principal owner of Geller & Company LLC.

Geller Family Office Services LLC has created a wholly owned subsidiary called Geller Alternative Manager LLC that is the Managing Member of Geller Select Alternatives LLC a Delaware Company organized as a Private Fund.

Geller Family Office Services LLC provides investment advisory services on asset allocation, portfolio diversification, portfolio risk management, and other general economic and financial topics.

We recommend a structure for your portfolio by:

- 1) Agreeing on investment objectives after assessing your risk tolerance based on age, income, investment experience, cash flow needs, short-term and long-term investment goals, tax situation and tolerance for volatility. This assessment is incorporated into a financial plan. Information we need for this purpose can be gathered during meetings and interviews with you, and/or through contact with other advisors and institutions as authorized by you;
- 2) Developing an asset allocation comprised of specific strategies and, with your approval, implementing those strategies using an optimized combination of investments;
- 3) Monitoring investment performance, capital market conditions and your personal financial and lifestyle circumstances; and
- 4) Proactively adjusting portfolios as appropriate to reflect significant changes in any or all of the above variables.

### Third-party Investment Managers

Geller Family Office Services LLC serves a limited number of clients whose circumstances are unique to them. As such, our methods of implementing investment strategies vary from client to client. When appropriate, we will provide you with the names of third party investment managers selected from our recommended list. Our list relies on information and research compiled by the Geller Family Office Services LLC investment team, our consultants, and in some cases, the consulting entities of your brokerage firms and/or other financial services companies.

As a general matter, Geller Family Office Services LLC expects that the factors that will be used to determine inclusion on our investment manager search lists will include, but not necessarily be limited to: reputation, management strength, performance record, philosophy, the continuity of management, service to clients, minimum dollar investment requirements and fees.

We consider managers that use either or both fundamental and technical analysis, as well as managers employing a broad range of investment strategies, including alternative investments. Third party money managers have full investment discretion and trading authority and have sole responsibility for the implementation of their portion of the investment program with respect to any account for which investment discretion has been delegated by you and accepted by the third party manager. Geller will not place orders for transactions in your account or otherwise exercise

trading authority over the account while the account is being managed by a third party manager. We deliver and encourage you to review those managers' disclosure documents for more information on their policy with regard to investment or brokerage discretion. The only limitations on the third party managers' and/or Geller Family Office Services LLC's investment authority will be those limitations imposed in writing by you.

#### Discretionary Investment Management

Generally, Geller Family Office Services LLC offers limited discretionary investment management dealing only with cash equivalents, direct obligations of the United States and its agencies, municipal bonds, exchange traded funds and/or index mutual funds, and a select list of no-load mutual funds as determined in consultation with clients.

#### Non-Discretionary Investment Management

All other investment management is handled:

- 1) on a non-discretionary basis through brokers you select;
- 2) on a discretionary basis by third party investment managers you select with support from our advice; or
- 3) on a discretionary basis with hedge fund managers accessible through Geller Select Alternatives LLC.

In addition to advice on equity and fixed income securities, Geller Family Office Services LLC offers advice on alternative investments such as private equity, real estate and hedge funds which are typically organized as limited partnerships.

In addition, we will advise on structured notes, the use of foreign exchange forward contracts and interest rate and equity derivatives where appropriate. Geller Family Office Services LLC also advises Geller Select Alternatives LLC effective May 1, 2013.

As of December 31, 2013, Geller Family Office Services LLC had total AUM of \$2,260,701,632. \$ 1,477,522,126 was managed on a discretionary basis and \$783,179,506 was managed on a non-discretionary basis.

## **Item 5 - Fees and Compensation**

Advisory fees are established in each client's written agreement and reviewed with you prior to engaging Geller Family Offices Services LLC. Generally, we charge a fee based on the assets we advise upon, invoiced in arrears on a monthly basis. You may also authorize us to directly debit fees from your accounts.

Alternatively, and in limited circumstances, Geller Family Office Service LLC may negotiate an annual fixed fee or hourly fees (based on its standard hourly rate and other factors including the scope and complexity of the services, the assets placed under advisement and the attention needed to manage the account).

Geller Family Office Services LLC's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by you. You may incur certain charges imposed by custodians, brokers, third party

investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Geller Family Office Services LLC's fees. Other than the management fee received from Geller Select Alternatives LLC, Geller Family Office Services shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that Geller Family Office Services LLC considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation.

Geller Family Office Services LLC's services may be terminated by either party upon written notification in accordance with the terms of your written agreement. Upon termination, the fees charged for advisory services will be prorated and a refund for any unearned fees will be issued. You are responsible to pay for services rendered until the termination of your agreement.

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

Geller Family Office Services LLC does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

## **Item 7 - Types of Clients**

Geller Family Office Services LLC provides investment advice to high net worth individuals and families. In order to engage Geller Family Office Services LLC for Investment Advisory services, we require that you be a "qualified purchaser" as defined in Section 2(a)(51)(A) of the Investment Company Act of 1940. In addition to serving individuals, we also advise our clients' business interests, retirement plans, trusts and/or charitable foundations, as well as serving as investment advisor for Geller Select Alternatives LLC.

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

Although our methods may differ depending on your circumstances, generally we ground our asset allocation recommendations on a customized, comprehensive financial plan and stress-test potential strategic allocations through the simulation of historical scenarios, during which the risks of loss in securities and the potential for all asset classes to perform similarly can be observed. Such a plan also establishes the degree to which portions of the portfolio can have limited liquidity. Portfolio construction typically involves establishing a risk-appropriate allocation among cash, fixed income, global equities and alternatives, such as hedge funds where appropriate. Global equity allocations are usually indexed to varying degrees in a "core and satellite" structure. The satellite managers typically have concentrated holdings and may exhibit meaningful divergence from their benchmarks. In addition, such a plan can support selective use of alternative investments, appropriately sized to meet individual liquidity needs.

Investing in securities involves risk of loss that you should be prepared to bear. The securities and instruments utilized by Geller Family Office Services LLC are subject to normal market fluctuations and other risks inherent in investing in such

investments and there can be no assurance that any appreciation in value will occur. Securities markets, especially foreign markets, are volatile and can decline significantly in response to adverse issuer, political, regulatory, market or economic developments. Different parts of the market can react differently to these developments and the value of an individual security or particular type of security can be more volatile than, and can perform differently from, the market as a whole. Investing in foreign securities involves additional risks, such as currency fluctuations, periods of illiquidity and price volatility.

Our overall risk management focuses on the risks of failing to meet your goals and therefore our analysis is driven by tools that help manage downside deviation rather than overall portfolio volatility. This is reflected in our manager selection process which focuses on managers who generally exhibit above average performance in down markets. As part of our planning process, we also seek to manage investment management fees and taxes.

## **Item 9 - Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Geller Family Office Services LLC or the integrity of Geller Family Office Services LLC management. Geller Family Office Services LLC has no information applicable to this item.

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

Geller Family Office Services LLC is a wholly owned subsidiary of Geller & Company LLC, a privately owned financial and accounting advisory and outsourcing firm. Neither our parent nor any of its affiliates receive direct or indirect compensation from third parties as a result of our investment advice. Our parent company President, Martin J. Geller, is expected to spend the majority of his time on his duties other than those related to the business of Geller Family Office Services LLC and has appointed a Chief Executive Officer to oversee Geller Family Office Services LLC. Geller Family Office Services LLC is located in the same principal office location as our parent company and has arrangements that are material to its advisory business in that it shares certain infrastructure, technology, and research services with Geller & Company LLC.

Geller Family Office Services LLC also offers financial, estate, and tax planning services, as well as accounting, tax return preparation and a wide range of administrative services. Investment advisory clients are under no obligation to avail themselves of these other services.

## **Item 11 - Code of Ethics**

To manage any potential conflicts of interest involving personal trades, Geller Family Office Services LLC has established its Code of Ethics and insider trading policies and procedures. The Code of Ethics requires, among other things, that employees:

- Act with integrity, competence, diligence, respect, and in an ethical manner;
- Place the interests of clients, and the interests of Advisor above one's own personal interests;
- Avoid any actual or potential conflict of interest;
- Comply with applicable provisions of all securities laws and regulations;
- Conduct all personal securities transactions in a manner consistent with the Code.

In order to manage compliance with the Code, Geller Family Office Services LLC also requires Access Persons and related parties to report personal securities transactions on a quarterly basis, and provide a detailed summary of certain holdings (both initially on commencement of employment and quarterly thereafter) over which such Access Persons have a direct or indirect beneficial interest. A copy of the Geller Family Office Service LLC Code of Ethics is available upon request. Employees of Geller Family Office Services LLC may buy and sell the same securities that may be recommended to you. If the possibility of a conflict of interest occurs, it is our fiduciary duty to see that your interest will prevail and priority will always be given to your orders over the orders of an employee of Geller Family Office Service LLC.

## **Item 12 - Brokerage Practices**

At your request, Geller Family Office Services LLC will assist you in developing a relationship with one or more brokers. We will make recommendations based on your needs and the services provided by the broker such as best execution policies, ability to execute trades in a timely and cost effective manner, margin rates, online access to accounts, transaction charges, consolidated reporting and access to mutual funds including share classes not available to retail purchasers. Geller seeks to obtain best price and execution quality with respect to your transactions and monitors recommended brokers on an ongoing basis.

Some clients, when undertaking an advisory relationship, already have a pre-established relationship with a broker, and they will instruct Geller Family Office Services LLC to execute all transactions through that broker. In the event that you direct us to use a particular broker-dealer, it is understood that under those circumstances Geller Family Office Services LLC will not have authority to negotiate commissions or to obtain volume discounts, and best execution may not be achieved. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to other clients. Geller Family Office Services LLC may accept such instructions, provided they are in writing.

Most brokers our clients use provide us with market data and research that is generally available to their institutional clients, at no charge. Geller Family Office Services LLC has relationships with the institutional divisions of both Fidelity Investments and Charles Schwab & Co., Inc. There is no requirement that you use these firms, neither of whom is affiliated with us. Both provide us with access to institutional trading, custody services, research, market data and access to mutual funds and other investments that are generally only available to institutional clients. Both Fidelity and Schwab provide us with technology that assists us in administering client accounts. At this time we are not charged for these services and our clients benefit from lower transaction costs and access to some lower cost investments than those available on Fidelity's or Schwab's retail platforms.

Accounts we manage on a discretionary basis may receive more favorable executions when purchasing or selling securities than accounts managed on a non-discretionary basis due to the fact that we must receive your authorization before placing a trade order. In the course of providing our services, we will execute trades for you through the broker you have selected and, if appropriate, negotiate commissions. Geller Family Office Services LLC seeks to avoid or disclose any actual or potential conflicts of interests or resolve such conflicts in manner that is fair to you. We are not obligated to acquire for any account any security that we or our officers, members or employees may acquire for their own accounts or for the account of any other client.



Aggregation of client transactions allows for execution of transactions in a more timely, equitable, and efficient manner and seeks to reduce overall commission charges. Geller Family Office Services LLC does not generally aggregate trades, but on occasion may do so based on the case-by case circumstances where orders for the same security are necessitated on behalf of more than one client and are in the best interests of all participating clients.

Prior to execution, allocations are formulated considering many factors including client guidelines, weightings based on the account size, diversification, cash availability, and other relevant factors. There is no specific calculation that must be used to allocate orders among clients, but the outcome of the allocation system implemented is intended to result in a fair and equitable treatment of all clients. In most cases clients will receive a pro-rata allocation based on the average price obtained on the transaction.

### **Item 13 - Review of Accounts**

Geller Family Office Services LLC will provide reports on a quarterly or at least a semi-annual basis as agreed to with you. The reports will contain information regarding asset allocation, balances and performance data based on information reported to us by third parties. Additionally, you would continue to receive monthly or quarterly reports provided by your custodian or third party investment manager.

Matters that are reviewed include, but are not limited to, current market activity, economic outlook, review and analysis of individual managers, holdings in discretionary accounts, portfolio composition, trading activity, and performance comparisons. Unique circumstances such as market fluctuations, changes in your financial circumstances, or issues with a third party investment manager may trigger more frequent reviews. A member of our investment team conducts all account reviews.

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

Geller Family Office Services LLC does not compensate any third party for soliciting business.

### **Item 15 -Custody**

You will appoint a “qualified custodian” as defined by Rule 206(4)-2 under the Investment Advisers Act of 1940 to take and have possession of the funds and securities in your accounts.

Due to certain arrangements, Geller Family Office Services LLC may be deemed to have “custody” of client accounts within the meaning of Rule 206(4)-2 under the Advisers Act. Where Geller Family Office Services LLC is deemed to have custody of an account, the custodian(s) for such account will send to the client periodic account statements (generally on a quarterly basis) indicating the amounts of any funds or securities in the custodial account as of the end of the statement period and any transactions in the account during the statement period. Clients should review these statements carefully and should immediately contact Geller Family Office Services LLC if account statements are not received from the custodian on at least a quarterly basis. To the extent Geller Family Office Services LLC, pursuant to the relevant advisory contract or otherwise, separately provides reports or account statements, clients should compare Geller Family Office Services LLC’s statements carefully to the account statements received from the custodian. If there are any discrepancies between the account statements, please contact Geller Family Office Services LLC immediately.

Since Geller Family Office Services LLC is deemed to have custody of Geller Select Alternatives LLC's cash or securities, Geller Family Office Services LLC will provide, or will cause to be provided, to each investor in Geller Select Alternative LLC a copy of their audited financial statements within 180 days following their fiscal year end. Investors who do not receive audited financial statements timely should contact Geller Family Office Services LLC immediately.

## **Item 16 - Investment Discretion**

As reflected in the engagement letter, you may grant Geller Family Office Services LLC discretionary authority to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for your particular account. When selecting securities and determining amounts, Geller Family Office Services LLC observes the investment policies, limitations and restrictions you may have placed in writing on the account.

## **Item 17 - Voting Client Securities**

As a matter of firm policy and practice, Geller Family Office Services LLC does not have the authority and does not vote proxies on your behalf. It is your responsibility to receive and vote proxies for any and all securities maintained in your portfolios. Geller Family Office Services LLC may advise you regarding such votes.

## **Item 18 - Financial Information**

Geller Family Office Services LLC has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to you and has not been the subject of a bankruptcy proceeding.