

# Seckel Capital Advisors, LLC

## Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Seckel Capital Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (888) 270-1574 or by email at [info@scainvest.com](mailto:info@scainvest.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.*

*Additional information about Seckel Capital Advisors, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Seckel Capital Advisors, LLC's CRD number is: 168500.*

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*Registration does not imply a certain level of skill or training.*

Version Date: 06/12/2014

## **Item 2: Material Changes**

Seckel Capital Advisors, LLC has the following material changes to report.

- The firm is transitioning from registration with the United States Securities and Exchange Commission and is applying for state level registration in Pennsylvania, California, Florida, Massachusetts, New Jersey and Texas.
- Updated Item 4 and Item 5 to disclose Seckel now offers Subadvisory services.

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

Seckel Capital Advisors, LLC is a Limited Liability Company organized in the State of Pennsylvania. The firm was formed in June 2013, and the principal owners are Ian Andrew Foster, William Haywood Bromley and John Seckel.

### B. Types of Advisory Services

Seckel Capital Advisors, LLC (hereinafter "SCA") is a registered investment advisor in the state of Pennsylvania. We provide managed portfolios with respect to price and volatility to individuals using exchange traded funds (ETFs), across multiple asset classes including equities, fixed income, currencies, and hard assets. Our portfolios are designed to accommodate investors of all sizes regardless of net worth. As a registered investment adviser, we are held to the highest standard of client care - a fiduciary standard. As a fiduciary we always put our clients' interests first and must fully disclose any potential conflict of interest. We do not directly hold customer funds or securities and all transactions are sent to our qualified custodian which executes, compares, allocates, clears, and settles them. Our custodian also maintains our clients' accounts and may grant clients access to them. We accept and enter trades on a discretionary basis only.

Ian Foster and William Bromley are also principals of 1015 Asset Management, LLC which is the general partner of a hedge fund limited partnership, 1015 Partners, LP. Clients of SCA will not be solicited to invest in 1015 Partners, LP; however, existing investors in 1015 Partners, LP will be free to retain the services of SCA as investment manager for separately managed accounts. As a fiduciary, Seckel Capital Advisors, LLC always acts in the best interest of the client.

SCA offers the following services to advisory clients:

#### *Investment Supervisory Services*

SCA offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. SCA creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels) and then constructs a plan to aid in the selection of a portfolio that matches each client's specific situation. Investment Supervisory Services include, but are not limited to, the following:

- |                       |                                |
|-----------------------|--------------------------------|
| • Investment strategy | • Personal investment policy   |
| • Asset allocation    | • Asset selection              |
| • Risk tolerance      | • Regular portfolio monitoring |

SCA evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. SCA will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

### ***Subadvisory Services***

We participate in a program offered by Placemark Investments, Inc. (Placemark), a registered investment adviser. We act as a subadviser for assets placed in the Placemark program by other unaffiliated investment advisers. Our investment models can be selected by the other unaffiliated investment advisers. This is done on a non-discretionary basis. We are not the only subadviser to the Placemark program. Fees charged for these services are considered unbundled and separate charges by the custodian (T.D. Ameritrade), the Overlay Manager (PlaceMark Investments, Inc.) and SCA (subadviser).

SCA may also act as a subadviser to other advisers unaffiliated with SCA on a discretionary basis. These third-party advisers would outsource portfolio management services to SCA. This relationship will be memorialized in each contract between SCA and the third-party adviser.

### ***Services Limited to Specific Types of Investments***

SCA generally limits its investment advice and/or money management to mutual funds, equities, bonds, ETFs, and REITs and may use other securities as well to help diversify a portfolio when applicable.

## **C. Client Tailored Services and Client Imposed Restrictions**

SCA offers the same suite of services to all of its clients. However, specific client investment strategies and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets. Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent SCA from properly servicing the client account, or if the restrictions would require SCA to deviate from its standard suite of services, SCA reserves the right to end the relationship.

## **D. Wrap Fee Programs**

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. SCA does not participate in any wrap fee programs.

## E. Amounts Under Management

SCA has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$52,261,510	\$0	12/31/2013

## Item 5: Fees and Compensation

### A. Fee Schedule

#### *Investment Supervisory Services Fees*

Total Assets Under Management	Annual Fee
Up to \$500,000	2.15%
\$500,001 to \$1,000,000	1.90%
\$1,000,001 to \$2,500,000	1.75%
Above \$5,000,000	1.50%

These fees are negotiable depending upon the needs of the client and complexity of the situation and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Advisory fees are withdrawn directly from the client's accounts with client's written authorization. SCA will send an itemized fee invoice to the client. The invoice will detail the formula used to calculate the fee, assets under management the fee was based on, and the time period covered by the fee. Fees are paid monthly in arrears. Because fees are charged in arrears, no refund policy is necessary. Lower fees for comparable services may be available from other sources.

Clients may terminate the contract without penalty, for full refund of the advisor's fees, within five business days of signing the contract. Thereafter, clients may terminate the contract with one (1) day written notice.

#### *Subadvisory Service Fees*

For subadvisory services with Placemark, SCA will receive an annual fee of 0.55%. Fees charged for these services are considered unbundled and separate charges by the custodian (T.D. Ameritrade), the Overlay Manager (PlaceMark Investments, Inc.) and Seckel (subadviser).



SCA may also act as a subadviser to unaffiliated third-party advisers and SCA would receive a share of the fees collected from the third-party adviser's client(s). The fees charged will not exceed any limit imposed by any regulatory agency. This relationship will be memorialized in each contract between SCA and the third-party adviser.

## **B. Payment of Fees**

### ***Payment of Investment Supervisory Fees***

Advisory fees are withdrawn directly from the client's accounts with client's written authorization. Fees are paid monthly in arrears.

### ***Payment of Subadvisory Service Fees***

For Placemark, SCA collects its fees from the Overlay Manager (PlaceMark Investments, Inc.) directly and the fees are paid quarterly in arrears.

Other subadviser fees may be withdrawn from client's accounts or clients may be invoiced for such fees, as disclosed in each contract between SCA and the applicable third-party adviser.

## **C. Clients Are Responsible For Third Party Fees**

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by SCA. Please see Item 12 of this brochure regarding broker/custodian.

## **D. Prepayment of Fees**

SCA collects its fees in arrears. It does not collect fees in advance.

## **E. Outside Compensation For the Sale of Securities to Clients**

Neither SCA nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

# **Item 6: Performance-Based Fees and Side-By-Side Management**

SCA does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

## Item 7: Types of Clients

SCA generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Trusts, Estates, or Charitable Organizations

### *Minimum Account Size*

There is an account minimum of \$100,000, which may be waived by the investment advisor, based on the needs of the client and the complexity of the situation.

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

### A. Methods of Analysis and Investment Strategies

#### *Methods of Analysis*

SCA's methods of analysis include fundamental analysis, technical analysis, and cyclical analysis.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

**Technical analysis** involves the analysis of past market data; primarily price and volume.

**Cyclical analysis** involved the analysis of business cycles to find favorable conditions for buying and/or selling a security.

#### *Investment Strategies*

SCA uses primarily long term trading and short term trading.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### B. Material Risks Involved

#### *Methods of Analysis*

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in

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stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Technical analysis** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.

**Cyclical analysis** assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns and 2) if too many investors begin to implement this strategy, it changes the very cycles these investors are trying to exploit.

### ***Investment Strategies***

Short term trading generally holds greater risk and clients should be aware that there is a material risk of loss using any of those strategies.

**Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Short term trading** risks include liquidity, economic stability and inflation, in addition to the long term trading risks listed above. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **C. Risks of Specific Securities Utilized**

SCA generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets. Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. They can be of bond “fixed income” nature (lower risk) or stock “equity” nature (mentioned above).

**Equity** investment generally refers to buying shares of stocks by an individual or firms in return for receiving a future payment of dividends and capital gains if the value of the stock increases. There is an innate risk involved when purchasing a stock that it may decrease in value and the investment may incur a loss.

**Treasury Inflation Protected/Inflation Linked Bonds:** The risk of default on these bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal.

**Debt securities** carry risks such as the possibility of default on the principal, fluctuation in interest rates, and counterparties being unable to meet obligations.

**Stocks & Exchange Traded Funds (ETFs):** Investing in stocks and ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy).

**REITs** have specific risks including valuation due to cash flows, dividends paid in stock rather than cash, and the payment of debt resulting in dilution of shares.

**Precious Metal ETFs** (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal): Investing in precious metal ETFs carries the risk of capital loss.

**Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

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

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither SCA nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither SCA nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Ian Foster and William Bromley are licensed insurance agents and part owners of Seckel Capital Insurance, LLC ("SCI"). From time to time, they will offer clients products from those activities. Clients should be aware that these services pay compensation and thus involve a conflict of interest. SCA always acts in the best interest of the client. Clients are in no way required to purchase any product or service through any representative of SCA or SCI in such individual's capacities.

### **D. Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections**

SCA does not use third party advisers.

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

### **A. Code of Ethics**

SCA has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Our Code of Ethics is available free upon request to any client or prospective client.

## **B. Recommendations Involving Material Financial Interests**

From time to time, SCA may recommend to clients securities in which SCA or a related person has a material financial interest, including securities for which related person of SCA serves as general or managing partner, underwriter, or purchaser representative. This creates a conflict of interest since SCA or a related person would benefit financially from clients investing in these securities. SCA will always act in the best interest of the client.

## **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of SCA may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of SCA to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. SCA will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

## **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of SCA may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of SCA to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, SCA will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

# **Item 12: Brokerage Practices**

## **A. Factors Used to Select Custodians and/or Broker/Dealers**

Custodians are chosen based on relatively low transaction fees and access to mutual funds and ETFs. SCA will never charge a premium or commission on transactions, beyond the actual cost imposed by the custodian. TD Ameritrade Institutional, a division of TD Ameritrade, Inc. Member FINRA/SIPC/NFA is recommended by SCA.

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

SCA receives research, products, or other services from its broker/dealer or another third-party in connection with client securities transactions ("soft dollar benefits"). There is no minimum client number or dollar number that SCA must meet in order to receive free research from the custodian or broker/dealer. There is no incentive for SCA to direct clients to this particular broker-dealer over other broker-dealers who offer the same services. However, because this firm does not have to produce or pay for services or products it has an incentive to choose a custodian that provides those services based on its interests rather than the clients' interests. The first consideration when recommending broker/dealers to clients is best execution. SCA always acts in the best interest of the client. Clients should be aware that SCA's acceptance of soft dollar benefits may result in higher commissions charged to the client.

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

SCA receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

### ***3. Clients Directing Which Broker/Dealer/Custodian to Use***

SCA will allow clients to direct brokerage; however, SCA may recommend custodians. SCA may be unable to achieve most favorable execution of client transactions if clients choose to direct brokerage. This may cost clients money because without the ability to direct brokerage SCA may not be able to aggregate orders to reduce transactions costs resulting in higher brokerage commissions and less favorable prices. Not all investment advisers allow their clients to direct brokerage.

## **B. Aggregating (Block) Trading for Multiple Client Accounts**

SCA maintains the ability to block trade purchases across accounts. Block trading may benefit a large group of clients by providing SCA the ability to purchase larger blocks resulting in smaller transaction costs to the client. Declining to block trade can cause more expensive trades for clients.

## **Item 13: Reviews of Accounts**

### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

Client accounts are reviewed at least quarterly only by Ian Andrew Foster and William Haywood Bromley. They are the chief advisors and are instructed to review client

accounts with regard to clients' respective investment policies and risk tolerance levels. All accounts at SCA are assigned to these reviewers.

#### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

#### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client will receive at least quarterly a written report that details the client's account including assets held and asset value, which report will come from the custodian.

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

#### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

SCA does not receive any economic benefit, directly or indirectly from any third party for advice rendered to SCA clients.

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

SCA does compensate solicitors for referring investment advisory clients to the firm. This arrangement is pursuant to a written agreement between the solicitor and SCA. Solicitors are compensated by sharing in the management fee collected by SCA from the solicited clients. The solicitor may have a conflict of interest in referring clients to SCA. The management fee paid by the client does not increase because the client was obtained through a solicitor. The referred client will always receive a disclosure document that contains specific details regarding the arrangement and a copy of SCA's Form ADV Part 2A. SCA will ensure solicitors are properly registered in all necessary jurisdictions and will not utilize the services of unregistered solicitors in any jurisdictions (including Pennsylvania, California, Massachusetts, New Jersey, and Texas) requiring solicitor registration.



## **Item 15: Custody**

SCA deducts fees directly from client accounts at client's selected custodian and is therefore deemed to have limited custody of client's assets. Because client fees will be withdrawn directly from client accounts, the adviser will:

- (A) Possess written authorization from the client to deduct advisory fees from an account held by a qualified custodian.
- (B) Send the qualified custodian written notice of the amount of the fee to be deducted from the client's account.
- (C) Send the client a written invoice itemizing the fee, including any formulae used to calculate the fee, the time period covered by the fee, and the amount of assets under management on which the fee was based.

The client is responsible for verifying the accuracy of the fee calculation as the custodian will not do so.

## **Item 16: Investment Discretion**

For those client accounts where SCA will have investment discretion, the client has given SCA written discretionary authority over the client's accounts with respect to securities to be bought or sold and the amount of securities to be bought or sold. Details of this relationship are fully disclosed to the client before any advisory relationship has commenced. The client provides SCA discretionary authority via a discretionary investment management clause in the Investment Advisory Contract and/or a limited power of attorney clause in the contract between the client and the custodian.

## **Item 17: Voting Client Securities (Proxy Voting)**

SCA will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## **Item 18: Financial Information**

### **A. Balance Sheet**

SCA neither requires nor solicits prepayment of more than \$500 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither SCA nor its management has any financial condition that is likely to reasonably impair SCA's ability to meet contractual commitments to clients.

### **C. Bankruptcy Petitions in Previous Ten Years**

SCA has not been the subject of a bankruptcy petition in the last ten years.

## **Item 19: Requirements For State Registered Advisers**

### **A. Principal Executive Officers and Management Persons; Their Formal Education and Business Background**

SCA currently has two management persons/executive officers: Ian Andrew Foster and William Haywood Bromley. Education and business background can be found on the Form ADV Part 2B brochure supplement for such individual. John Seckel is strictly a silent owner of SCA.

### **B. Other Businesses in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those (If Any)**

Ian Andrew Foster's and William Haywood Bromley's other business activities can be found on the individual's Form ADV Part 2B brochure supplement.

### **C. How Performance-based Fees are Calculated and Degree of Risk to Clients**

SCA does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

### **D. Material Disciplinary Disclosures for Management Persons of this Firm**

Neither SCA nor any management person of SCA has been found liable in an arbitration claim or been found liable in a civil, self-regulatory organization, or administrative proceeding that is material to the client's evaluation of the firm or its management.

<b>E. Material Relationships That Management Persons Have With Issuers of Securities (If Any)</b>
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See Item 10.C and 11.B.