

## **RIDGE RETIREMENT CONSULTANTS, LLC**

*a Registered Investment Adviser*

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This brochure provides information about the qualifications and business practices of Ridge Retirement Consultants, LLC (hereinafter “Ridge” or the “Firm”). If you have any questions about the contents of this brochure, please contact the Firm at the telephone number listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about the Firm is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The Firm is a registered investment adviser. Registration does not imply any level of skill or training.

**Item 2. Material Changes**

In this Item, Ridge is required to discuss any material changes that have been made to the brochure since the last annual amendment. Item 4 has been updated to reflect the total amount of discretionary and non-discretionary assets on which we advise.

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## Item 4. Advisory Business

Ridge was formed in April 2014 and is principally owned by Robert Scherzer and Klingman Holdings, LLC which is wholly owned by Gerard A. Klingman.

Ridge advises on \$1,023,988,853 in non-discretionary assets and \$0 on a discretionary basis.

While this brochure generally describes the business of Ridge, certain sections also discuss the activities of its Supervised Persons, which refer to the Firm's officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on Ridge's behalf and is subject to the Firm's supervision or control.

### Services Provided

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Prior to the Firm rendering any services, clients are required to enter into one or more written agreements with Ridge setting forth the relevant terms and conditions of the relationship along with the scope of work and detailed fee disclosure (the "Advisory Agreement").

#### *Investment Objectives, Policy, Asset Allocation and Management of Fiduciary Responsibilities*

Ridge assists retirement plan sponsors in managing their fiduciary duties. Assisting with the risk management of investments and expense (both at the plan level and among individual investments) with the goal of meeting the fiduciary obligations outlined by the U.S. Department of Labor ("DOL").

Ridge will assist clients with a comprehensive planning document that describes investment expectations, investment risk and returns which can be used as the basis for providing customized asset mix ranges and investment policies.

The Firm also works with clients to create and review investment policy and spending policy statements, risk and expense management, objectives and guidelines to express these policies specific to asset allocation, asset/liability considerations, risk/return analysis, performance guidelines and social responsibility.

As disclosed in the Advisory Agreement, certain of the foregoing services are provided by Ridge as a fiduciary under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). In accordance with ERISA Section 408(b)(2), each plan sponsor is provided with a written description of the Firm's fiduciary status, the specific services to be rendered and all direct and indirect compensation the Firm reasonably expects under the engagement.

*Retirement Plan Services*

Ridge also provides various non-investment advisory and consulting services to qualified and nonqualified employee benefit plans and their fiduciaries. This suite of institutional services is designed to assist plan sponsors in structuring, managing and optimizing their corporate or tax exempt retirement plans. Each engagement is individually negotiated and customized, and may include any or all of the following services in addition to investment consulting:

- Plan Design and Strategy
- Plan Assessment & Evaluation
- Employee Retirement Readiness
- Plan Fee and Cost Analysis
- Plan Committee Consultation
- Fiduciary & Compliance Consulting
- Participant Education & Communication
- Market Appraisal Services

*Investment Selection and Fund Monitoring*

The Firm primarily assesses and monitors investment selection on a non-discretionary basis. Specifically, Ridge generally allocates or recommends the allocation of client assets among various mutual funds, separate accounts, exchange-traded funds (“ETFs”) and individual debt and equity securities in accordance with investment objectives, benchmarks and fiduciary obligations outlined by the DOL. On an ongoing basis, the Firm compares investment options to benchmarks and analyzes investment options for diversification across asset classes. In many cases, the Firm will utilize its affiliated registered investment adviser, Klingman and Associates, LLC (“Klingman and Associates”), to provide qualitative and quantitative assessments through a sub-advisory agreement that the Firm has entered into with Klingman and Associates.

Ridge tailors its services to meet the needs of its individual plan clients and seeks to ensure that recommendations are made in a manner consistent with those needs and objectives. The Firm consults initially and on an ongoing basis to assess how its services can meet a plan’s purpose, goals and objectives. Clients are advised to promptly notify Ridge if there are changes in their financial situation or if they wish to place any limitations on the management of their accounts. Clients may impose reasonable restrictions or mandates on the management of their accounts if Ridge determines, in its sole discretion, the conditions would not prove overly burdensome to the Firm’s management efforts.

*Expense Control and Vendor Management of 401(k), 403(b), Nonqualified and Defined Benefit Plans*

Ridge will assist the client in analyzing and calculating total expenses of the plan and will help determine the reasonableness or unreasonableness of plan fees. This comprehensive and detailed analysis will help to provide the plan fiduciary with the necessary process to ensure that the fiduciary’s obligations with the DOL are being met. As such, the Firm may assist in appraising vendors, conducting vendor searches,

preparing written analyses of vendors and negotiating with providers on behalf of the plan. Where a new vendor or provider is engaged, Ridge can review employee communication and enrollment and coordinate the conversion process.

#### *Ad-hoc Studies*

Clients may request special studies on various matters specific to their plans. Ridge can provide special studies to meet the specific needs of the client.

#### *Investment Policy Statement*

Ridge generally reviews and/or coordinates the review of an Investment Policy Statement with the Plan Sponsor. The Firm works with the Plan Sponsor to monitor whether the allocation adheres to the Investment Policy Statement.

## **Item 5. Fees and Compensation**

The Firm may charge a fixed project-based fee or asset-based fee to provide clients with retirement plan consulting services. Each engagement is individually negotiated and tailored to accommodate the needs of the client. These fees are memorialized in the Advisory Agreement. These fees vary, based on the scope of the services to be rendered, and may range from \$5,000 to \$300,000 or more, per annum, depending on the scope and complexity of the project. In situations where Ridge has agreed to manage a plan's assets, in lieu of a fixed fee, the Firm may charge an annual asset-based fee, typically between 5 and 100 basis points (0.05% – 1.00%), depending upon the amount of assets to be managed.

The specifics of the fee terms are codified in the Advisory Agreement. Typically, fees are payable monthly and are due within 30 days of each month's end unless the retirement plan provider that facilitates the payment has limitations.

#### **Fee Discretion**

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Ridge may negotiate to charge a lesser fee. The fee can be adjusted under specific circumstances. Fees are determined based on factors such as the scope of services, number of meetings, geographic locations, etc.

**Direct Fee Debit**

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Though rare on defined contribution business, Clients may provide Ridge with the authority to directly debit advisory fees from plan assets. In those instances, the Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to Ridge. Alternatively, clients may elect to have Ridge send a separate invoice for direct payment.

**Commissions and Sales Charges for Recommendations of Securities**

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In certain limited circumstances which will be fully disclosed and discussed, the Firm's Supervised Persons may render securities and brokerage services in their individual capacities. Clients can engage certain persons associated with Ridge (but not the Firm directly) to render securities brokerage services under a separate commission-based arrangement. Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with Ridge.

Under this arrangement, the Firm's Supervised Persons, in their individual capacities as registered representatives of Raymond James Financial Services ("RJFS"), may provide securities brokerage services and implement securities transactions under a separate commission based arrangement. Supervised Persons may be entitled to a portion of the brokerage commissions paid to RJFS, as well as a share of any ongoing distribution or service (trail) fees from the sale of mutual funds. Ridge may also recommend no-load or load-waived funds, where no sales charges are assessed. Prior to effecting any transactions, clients are required to enter into a separate account agreement with RJFS.

A conflict of interest exists to the extent that Ridge recommends the purchase or sale of securities where its Supervised Persons receive commissions or other additional compensation as a result of the Firm's recommendation. The Firm has procedures in place to ensure that any recommendations made by such Supervised Persons are in the best interest of clients. For certain accounts covered by the Employee Retirement Income Security Act of 1974 ("ERISA") and such others that Ridge, in its sole discretion, deems appropriate, Ridge may provide its investment advisory services on a fee-offset basis. In this scenario, Ridge may offset its fees by an amount equal to the aggregate commissions and 12b-1 fees earned by the Firm's Supervised Persons in their individual capacities as registered representatives of RJFS.

## **Item 6. Performance-Based Fees and Side-by-Side Management**

Ridge does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets).

## **Item 7. Types of Clients**

Ridge offers services to 401(k), 403(b), defined benefit plans, tax-exempt organizations, nonprofit foundations, educational institutions and corporations. The Firm provides due diligence oversight and fiduciary review of these programs. The Firm works with both qualified and nonqualified retirement plans.

### **Minimum Account Requirements**

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Ridge does not impose a stated minimum fee or minimum portfolio value for starting and maintaining a relationship.

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

### **Methods of Analysis and Investment Strategies**

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Ridge generally utilizes a fundamental method of analysis.

When working for qualified retirement plan clients, this process typically involves detailed analysis of investment companies (open end mutual funds, separate accounts and/or ETFs). Ridge evaluates a firm's management team, investment strategies, past performance, risk metrics, reputation and financial strength. Investment management firms will be evaluated on a quantitative and a qualitative basis.

For larger clients, individual investment mandates with qualified institutions may be negotiated by Ridge on their behalf.

On a quarterly or semi-annual basis, Ridge will provide clients with a comprehensive report evaluating the plan investments. The evaluation of investments will include items such as rates of return and risk adjusted returns for the fund assets as well as for the underlying investments/fund managers.

Ridge will provide clients with detailed information on investment management firms as requested. Investment management firms will be evaluated on both i) a quantitative basis: investment style analysis,



portfolio and performance volatility characteristics, and risk adjusted performance, and ii) a qualitative basis: professional staff, employee turnover, organizational stability, manager succession policy, growth or reduction of company.

## **Risk of Loss**

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### *Market Risks*

Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of a significant portion of Ridge's recommendations and/or investment decisions may depend to a great extent upon correctly assessing the future course of price movements of securities. There can be no assurance that Ridge will be able to predict those price movements accurately or capitalize on any such assumptions.

### *Mutual Funds, Separate Accounts and ETFs*

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). Typically shareholders fees are not applicable in retirement plans, other than in certain short-term redemption scenarios. The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Currently, ETFs are relatively rare in retirement plans; they are, however, permitted. Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

## Item 9. Disciplinary Information

Ridge has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of its management.

## Item 10. Other Financial Industry Activities and Affiliations

### Raymond James Financial Services

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Certain of the Firm's Supervised Persons are registered representatives and/or investment adviser representatives of RJFS and Raymond James Financial Service Advisors, Inc. ("RJFSA"), respectively, and may provide clients with investment advisory or securities brokerage services under a separate fee or commission-based arrangement. Further details related to this arrangement are described at length in Item 5.

### Related Investment Adviser

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Ridge is under common control with its affiliated SEC registered investment adviser, Klingman and Associates (SEC File No. 801-67783). In some circumstances, Ridge may rely on Klingman and Associates for qualitative and quantitative assessments through a sub-advisory agreement that the Firm has entered into with Klingman and Associates. Certain of the Firm's Supervised Persons, in their individual capacities, are also investment adviser representatives with Klingman and Associates and in such capacity, may recommend, on a fully-disclosed basis, the investment advisory services of Klingman and Associates.

A conflict of interest exists to the extent that the Firm recommends Klingman and Associates' investment advisory services where Ridge's Supervised Persons receive a portion of the investment advisory fees or other additional compensation as a result of using Klingman and Associates services.

### Licensed Insurance Agents

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A number of the Firm's Supervised Persons are licensed insurance agents and may offer certain insurance products on a fully-disclosed commissionable basis. A conflict of interest exists to the extent that Ridge recommends the purchase of insurance products where its Supervised Persons may be entitled to insurance commissions or other additional compensation. The Firm has procedures in place whereby it seeks to ensure that all recommendations are made in its clients' best interest regardless of any such affiliations.

**Item 11. Code of Ethics**

Ridge has adopted a code of ethics in compliance with applicable securities laws (“Code of Ethics”) that sets forth the standards of conduct expected of its Supervised Persons. Ridge’s Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its Supervised Persons and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of Ridge’s personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments. However, the Firm’s Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner that is consistent with the Firm’s policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no Supervised Person will access to this information may knowingly effect for themselves or for their immediate family (i.e., spouse, minor children and adults living in the same household) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Supervised Person is completed as part of a batch trade with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers’ acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact Ridge to request a copy of its Code of Ethics.

## Item 12. Brokerage Practices

### Recommendation of Broker/Dealers for Client Transactions

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Under limited circumstances, Ridge may recommend on a fully disclosed basis that clients utilize the custody, brokerage and clearing services of various Financial Institutions.

Factors which Ridge considers in recommending Financial Institutions to clients include their respective financial strength, reputation, execution, pricing, research and service. Broker-dealers may enable the Firm to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by a recommend Financial Institution may be higher or lower than those charged by other Financial Institutions.

The commissions paid by Ridge's clients to a Financial Institutions comply with the Firm's duty to obtain "best execution." In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution's services, including among others, the value of research provided, execution capability, commission rates and responsiveness. Ridge seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Consistent with obtaining best execution, brokerage transactions may be directed to certain Financial Institutions in return for investment research products and/or services, which assist Ridge or its affiliated registered investment adviser, Klingman and Associates, in its investment decision-making process.

### Software and Support Provided by Financial Institutions

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Ridge does not receive any software or support from Financial Institutions or other third parties in connection with client securities transactions.

### Brokerage for Client Referrals

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Ridge does not consider in selecting or recommending Financial Institutions whether the Firm receives client referrals from the Financial Institutions or another third party.

### Commissions or Sales Charges for Recommendations of Securities

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In certain limited circumstances which will be fully disclosed and discussed, the Firm's Supervised Persons may render securities and brokerage services in their individual capacities. As discussed, certain Supervised Persons in their respective individual capacities are registered representatives of RJFS. These

Supervised Persons are subject to FINRA Rule 3040 which restricts registered representatives from conducting securities transactions away from their broker-dealer unless RJFS provides written consent. Therefore, clients are advised that certain Supervised Persons may be restricted to conducting securities transactions through RJFS if they have not secured written consent from RJFS to execute securities transactions through a different broker-dealer. Absent such written consent or separation from RJFS, these Supervised Persons are prohibited from executing securities transactions through any broker-dealer other than RJFS under its internal supervisory policies. The Firm is cognizant of its duty to obtain best execution and has implemented policies and procedures reasonably designed in such pursuit.

## **Item 13. Review of Accounts**

### **Account Reviews**

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Account reviews are performed quarterly or semi-annually by one of the Firm's investment adviser representatives. Account reviews are performed more frequently when market conditions dictate. Other conditions that may trigger a review are changes in new investment information and changes in a plan strategic direction.

The Firm will also conduct certain services related to oversight and plan maintenance. These services may include the delivery of market research, access to external subject matter experts (e.g., legal, tax and investment management), assistance in determining the impact of legislative, regulatory or merger and acquisition activities.

### **Account Statements and Reports**

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Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied. On an annual basis or as otherwise requested, clients may also receive written or electronic reports from Ridge and/or an outside service provider. These reports generally track each service delivered and all deliverables through the secure plan sponsor portal and may contain certain account and/or market-related information, such as an inventory of account holdings or account performance.

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

### **Client Referrals**

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In some cases, Ridge may compensate third-party solicitors for client referrals. In order for such compensation to be paid, Ridge must engage such solicitor through a formal solicitor agreement in accordance with Section 206(4)-3 of the Investment Advisers Act of 1940. Furthermore, any client who is introduced to Ridge by a solicitor, will receive, and must acknowledge receipt of, a disclosure statement specifying the terms of Ridge's agreement with the solicitor including the amount of compensation to be paid to the solicitor. In any case, the fees paid by the client are the same regardless of whether the client is referred to Ridge by a solicitor or the client was contacted directly by Ridge.

## **Item 15. Custody**

Typically the Firm will not be deemed to have custody for any reason; however, in certain limited circumstances, the Advisory Agreement and/or the separate agreement with any Financial Institution may authorize Ridge to debit plan assets for payment of the Firm's fees and to directly remit that those funds to the Firm in accordance with applicable custody rules. In such instances, the Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to Ridge.

Clients should carefully review the statements sent directly by the Financial Institutions and compare them to those received from Ridge.

## **Item 16. Investment Discretion**

In only limited and isolated circumstances does Ridge receive the authority to exercise discretion on behalf of clients. Ridge is considered to exercise investment discretion over a client's account if it can effect and/or direct transactions in client accounts without first seeking their consent. While not standard practice, Ridge, if given discretion will do so through a power-of-attorney.

Discretionary trading authority facilitates placing trades in your qualified plans on your behalf so that the Firm may promptly implement the investment policy that you have approved in writing.

## Item 17. Voting Client Securities

### Declination of Proxy Voting Authority

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Ridge generally does not accept the authority to vote a client's securities (i.e., proxies) on their behalf. Clients receive proxies directly from the Financial Institutions where their assets are custodied and may contact the Firm at the contact information on the cover of this brochure with questions about any such issuer solicitations.

## Item 18. Financial Information

Ridge is not required to disclose any financial information due to the following:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.