

# Nickel Steamroller Advisors LLC

## Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Nickel Steamroller Advisors LLC. If you have any questions about the contents of this brochure, please contact us at (414) 882-5363 or by email at: [contact@nickelsteamroller.com](mailto:contact@nickelsteamroller.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 Nickel Steamroller Advisors LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Nickel Steamroller Advisors LLC's CRD number is: 172377.*

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

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## **Item 2: Material Changes**

Nickel Steamroller Advisors LLC has not yet filed an annual updating amendment using the Form ADV Part 2A. Therefore there are no material changes to report.

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## Item 4: Advisory Business

### *Business Description*

We provide software investment management services to individuals, high net worth individuals, and advisers in a subadvisory context concerning fixed income securities. 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 client's interests first and must fully disclose any potential conflict of interest. We do not hold customer funds or securities.

### **A. Description of the Advisory Firm**

Nickel Steamroller Advisors LLC (hereinafter "NSR Advisors") is a Limited Liability Company organized in the State of Wisconsin.

The firm was formed in June 2014, and the principal owners are Peter Richard Galgano and Michael John Phillips.

### **B. Types of Advisory Services**

#### *Portfolio Management Services*

NSR Advisors offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. NSR Advisors 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. Portfolio management services include, but are not limited to, the following:

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

NSR Advisors evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

NSR Advisors seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of NSR Advisors' economic, investment or other financial interests. To meet its fiduciary obligations, NSR Advisors attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, NSR Advisors' policy is to seek fair and equitable allocation of investment

opportunities/transactions among its clients to avoid favoring one client over another over time. It is NSR Advisors' policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent among its clients on a fair and equitable basis over time.

### ***Subadviser Services***

NSR Advisors may also act as a subadviser to advisers unaffiliated with NSR Advisors, including one or more advisers to investment companies registered under the Investment Company Act of 1940. These third-party advisers would outsource portfolio management services to NSR Advisors. This relationship will be memorialized in each contact between NSR Advisors and the third-party adviser.

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

NSR Advisors generally limits its investment advice to fixed income securities and debt financing, although NSR Advisors primarily focuses on debt financing investments (small business, real estate). NSR Advisors may use other securities as well to help diversify a portfolio when applicable.

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

NSR Advisors will tailor a program for each individual client. Many of our clients have specific objectives and ways they want their investments executed. We create custom plans and software implementations to help meet their specific objectives. This will include an interview session to get to know the client's specific needs and requirements as well as a plan that will be executed by NSR Advisors on behalf of the client. NSR Advisors may use "model portfolios" together with a specific set of recommendations for each client based on their personal 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 NSR Advisors from properly servicing the client account, or if the restrictions would require NSR Advisors to deviate from its standard suite of services, NSR Advisors 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 other administrative fees. NSR Advisors does not participate in any wrap fee programs.

## **E. Assets Under Management**

NSR Advisors has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
0	0	July 2014

## Item 5: Fees and Compensation

### A. Fee Schedule

#### *Asset-Based Fees for Portfolio Management*

Total Assets Under Management	Annual Fee
\$200,000,000 - AND UP	0.35%
\$50,000,000 - \$200,000,000	0.50%
\$10,000,000 - \$50,000,000	0.75%
\$1,000,000 - \$10,000,000	1.00%
\$0 - \$1,000,000	1.25%

These fees are generally negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Clients may terminate the agreement without penalty for a full refund of NSR Advisors' fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract generally with 30 days' written notice.

NSR Advisors uses an average of the daily balance in the client's account throughout the billing period, after taking into account deposits and withdrawals, for purposes of determining the market value of the assets upon which the advisory fee is based.

#### *Fixed Fees for Portfolio Management*

For some clients we charge a fixed monthly fee for software/technical services that are provided in addition to advisory services. Not all clients need some of our additional software/technical services and so not all clients are charged this. The fee varies based on the amount of services required and we expect most customers will be in the \$0 to \$1000/month range.

#### *Subadviser Services Fees*

NSR Advisors may also act as a subadviser to unaffiliated third-party advisers and NSR Advisors would receive a share of the fees collected from the third-party adviser's client. The fees charged will not exceed any limit imposed by any regulatory agency. The notice of termination requirement and payment of fees for subadviser services will

depend on the specific third-party investment adviser engaging NSR Advisors as subadviser. This relationship will be memorialized in each contract between NSR Advisors and each third-party adviser. The fees will not exceed any limit imposed by any regulatory agency.

## **B. Payment of Fees**

### ***Payment of Asset-Based Portfolio Management Fees***

Asset-based portfolio management fees may be invoiced and billed directly to the client on a quarterly basis. Fees are paid in arrears.

### ***Payment of Subadviser Fees***

Subadviser fees may be withdrawn from clients' accounts or clients may be invoiced for such fees, as disclosed in each contract between NSR Advisors and the applicable third-party adviser.

## **C. Client Responsibility 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 NSR Advisors. Please see Item 12 of this brochure regarding broker-dealer/custodian.

## **D. Prepayment of Fees**

NSR Advisors collects its fees in arrears. It does not collect fees in advance.

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

Neither NSR Advisors 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**

NSR Advisors 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**



NSR Advisors generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Pooled Investment Vehicles
- ❖ Other Investment Advisers

### ***Minimum Account Size***

There is no account minimum for any of NSR Advisors' services.

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

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

#### ***Methods of Analysis***

NSR Advisors' methods of analysis include technical analysis and quantitative analysis.

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

**Quantitative analysis** deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.

#### ***Investment Strategies***

NSR Advisors may recommend unusually risky investments to clients. For example: Investors could buy "junk" in their discretion.

Our software recommends the security to purchase, but we make no recommendation as to the length of time the client should hold it.

**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***

**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 take into account new patterns that emerge over time.

**Quantitative Model Risk:** Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

### ***Investment Strategies***

Debt Financing refers to the strategy of raising money for working capital or capital expenditures by selling bonds, bills, or notes to institutional investors in return for the promise that the principal and interest on the debt will be repaid.

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

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

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below are not guaranteed or insured by the FDIC or any other government agency.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked 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. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Past performance is not indicative of future results. 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 NSR Advisors 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 NSR Advisors 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**

There are no material relationships to report.

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

NSR Advisors does not utilize nor select third-party investment advisers. All assets are managed by NSR Advisors management.

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

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

NSR Advisors 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. NSR Advisors' Code of Ethics is available free upon request to any client or prospective client.

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

NSR Advisors does not recommend that clients buy or sell any security in which a related person to NSR Advisors or NSR Advisors has a material financial interest.

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

From time to time, representatives of NSR Advisors may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of NSR Advisors 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. NSR Advisors 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 NSR Advisors may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of NSR Advisors 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, NSR Advisors will never engage in trading that operates to the client's disadvantage if representatives of NSR Advisors buy or sell securities at or around the same time as clients.

## **Item 12: Brokerage Practices**

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

Custodians/broker-dealers will be recommended based on NSR Advisors' duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent.

NSR Advisors will require clients to use Prosper Funding LLC and LendingClub Corporation.

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

NSR Advisors does not trade client's accounts and therefore receives no research, product, or services other than execution from a broker-dealer or third-party in connection with client securities transactions ("soft dollar benefits").

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

NSR Advisors 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***

NSR Advisors does not trade client's accounts.

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

NSR Advisors does not trade clients' accounts and therefore does not have the ability to block trade purchases across accounts.

# **Item 13: Reviews of Accounts**

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

All client accounts for NSR Advisors' advisory services provided on an ongoing basis are reviewed at least every six months by Peter Galgano, MEMBER, with regard to clients' respective investment policies and risk tolerance levels. All accounts at NSR Advisors are assigned to this reviewer.

## **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 of NSR Advisors' advisory services provided on an ongoing basis will receive a quarterly report detailing the client's account, including assets held, asset value, and calculation of fees. This written 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)**

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

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

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

## **Item 15: Custody**

NSR Advisors does not take custody of client accounts at any time. Custody of client's accounts is held primarily at the client's custodian. Clients will receive account statements from the custodian and should carefully review those statements for accuracy.

## **Item 16: Investment Discretion**

NSR Advisors does not have discretion over client accounts at any time.

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

NSR Advisors 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**

NSR Advisors neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

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

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

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

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