

Item 1. Cover Page

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BROCHURE FOR STAN MONK  
Securities and Exchange Commission Form ADV Part 2A  
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This brochure provides information about the qualifications and business practices of Stan Monk. If you have any questions about the contents of this brochure, please contact Mr. Monk at 212-663-0724 or [knomman@aol.com](mailto:knomman@aol.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 Mr. Monk also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2. Material Changes

No disclosure is required under this item.

## Item 3. Table of Contents

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## Item 4. Advisory Business

I provide investment management services on a fee-only basis. As an ancillary part of the provision of these services, I provide financial planning advice with respect to important issues facing the client. I do not generally charge separately for financial planning services. Rather, I attempt to serve as a sort of financial counselor to clients over time and encourage them to call and discuss individual questions about the markets or any other financial matters that come up.

Typically, I meet with clients to gather information, address significant planning issues and develop an investment approach. I make investment recommendations and, after receiving client approval, implement the recommendations or help the client do so. I advise the client only; I do not assume discretionary management of client assets, although I may obtain permission to place orders on a client's behalf. I do not place any such orders

without the prior approval of the client.

Quarterly, I furnish clients with memos detailing their assets under management and the performance of their portfolio. At least as frequently, but generally on an ongoing basis, I review accounts to determine whether current investments are still appropriate. (Specific reviews may be prompted by changes either in the individual circumstances of the client, or in market conditions.) Recommendations for changes in the portfolio are generally made in the quarterly memos, although they may come at any time. Generally, separately, I send out a quarterly memo with thoughts about current market conditions.

Typically, I recommend only no-load mutual funds. However, recommendations involving insurance products or annuities, or of limited partnership interests, may sometimes be appropriate. Recommendations about specific stocks or derivative instruments such as options are made only under unusual circumstances.

I base recommendations primarily on information from the financial media, materials prepared by fund companies, regulatory filings and rating services. With respect to mutual funds in particular, I use the Morningstar Mutual Funds Information service.

As of December 31, 2014, I managed approximately \$51,000,000 on a non-discretionary basis. I do not manage assets on a discretionary basis.

See the Brochure Supplement below for biographical and other information about me.

#### Item 5. Fees and Compensation

The quarterly memos I send clients include the calculation of my fee. Investment management services are offered on a fee basis related to the market value of the assets under management at the end of the quarter. Clients are billed at the following annual rates: 1% of the first \$250,000 under management (.25% quarterly),  $\frac{3}{4}\%$  of the next \$250,000 under management (total assets from \$250,001 to \$500,000) (.1875% quarterly), and  $\frac{1}{2}\%$  of all assets above \$500,000 (.125% quarterly). Fees are payable in arrears, they are not payable in advance. With the client's consent, I may have fees deducted from assets held in client accounts with Charles Schwab & Co., Inc. (see Item 12. Brokerage Practices, below). I do not charge fees for assets for which I do not make investment recommendations. I am not a stockbroker or an insurance broker and receive no commissions from the sales of the products I recommend. I receive no referral fees, nor do I split fees with other professionals. My fees are separate from, and in addition to, any advisory fees charged by the mutual funds I recommend. Clients may pay commissions on transactions I recommend that are executed by Charles Schwab & Co., Inc. (see Item 12. Brokerage Practices, below.) Clients can generally purchase the investments I recommend through brokers other than Charles Schwab & Co., Inc.

#### Item 6. Performance-Based Fees and Side-By-Side Management

This Item does not apply to my business.

#### Item 7. Types of Clients

With the exception of one pro bono client, a nursery school, I provide services only to individuals.

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

I generally recommend only the purchase of no-load mutual funds, unless the client's choice of investments is limited (investment choices offered at work, for instance). I explain to all my clients that investment in mutual funds (and other securities) carries the risk of substantial loss of principal, and that investors must be willing to hold on to investments for long periods of time to ride out periods of volatility. I explain to my clients that the mutual funds I recommend have long term time horizons for the realization of gains. I often explain that I do not know what the markets will do in the short run. I inform my clients that, as I noted in Item 5. Fees and Compensation above, my fees are separate from, and in addition to, any advisory fees charged by the mutual funds I recommend.

I am a "value" investor, as distinguished from a "growth" investor. This distinction is overused and often misapplied. Using a variety of valuation techniques, some companies, "growth" companies, are more expensive than others. This is often because they are better companies, or more specifically, have better growth prospects. Technology companies are often examples of growth companies because they have the potential to increase in size dramatically over time as contrasted with, say, cement companies. These more expensive companies are often "sexier" companies with high expectations and a great deal of hype. They are companies which must do extraordinarily well to justify their prices and which correspondingly have the potential to greatly disappoint. During the technology bubble in the late 1990's, many growth companies, and particularly technology companies, were priced as though they would grow at astonishing rates. Many of these plunged or outright disappeared when things went wrong.

Value stocks are less likely to drop dramatically, even if they are less likely to soar. They may grow more slowly and be less sexy than growth stocks. But they are also more susceptible to analysis—they are understandable. This means that well-done fundamental research can provide a high likelihood of doing well over time. The funds I invest in generally are characterized by price discipline. They rarely buy expensive fare and will often hold cash waiting for opportunities to arise. They tend to do better in down markets and choppy markets, but to trail strong Bull markets. I am not dogmatic about this approach but this is certainly how I lean. I do not do any "momentum" investing or employ any high-volume trading strategies.

While I am generally a long term investor who does not change positions frequently, I do pay attention to what is going on in the world and may lean more heavily towards safety (as at the end of the tech bubble or during the 2008 meltdown) or opportunity (as right before the Iraq war). I also make changes when fund characteristics change or because I wish to lean more heavily towards stocks or bonds, or among the asset classes within those broad categories.

I use information from the financial media, materials prepared by fund companies, regulatory filings and rating services. With respect to mutual funds in particular, I use the Morningstar Mutual Funds information service to find well-run funds with an approach compatible with mine. I consider the level of expenses the funds' incur, the quality and experience of their management, the level of assets under management and the funds' performance track record, among other things.

#### Item 9 Disciplinary Information

No disclosure is required under this item.

#### Item 10. Other Financial Industry Activities and Affiliations

No disclosure is required under this item.

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

I have adopted a Code of Ethics that sets forth standards of conduct expected of me and any employee; requires compliance with Federal securities laws; and addresses conflicts that might arise from any personal trading activities. The Code of Ethics is available to any client or prospective client upon request.

At times I take positions in the same securities I recommend for clients, and will try to avoid conflicts with clients. I will generally be 'last in' and 'last out' for the trading day when trading occurs in close proximity to client trades. I will not violate my fiduciary responsibility to my clients. Scalping (trading shortly ahead of clients) is prohibited. Should a conflict occur because of materiality (i.e. a thinly traded stock), disclosure will be made to the client(s) at the time of trading. Incidental trading not deemed to be a conflict (i.e. a purchase or sale which is minimal in relation to the total outstanding value, and as such would have negligible effect on the market price) would not be disclosed at the time of trading.

## Item 12. Brokerage Practices

### The Custodian and Brokers I Use

I do not maintain custody of your assets, although I may be deemed to have custody of your assets if you give me authority to withdraw assets from your account (see Item 15 Custody). Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. I recommend that my clients use Charles Schwab & Co., Inc (Schwab), a registered broker-dealer, member of SIPC, as the qualified custodian. I am independently operated and am not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when you or I (if you have so authorized) instruct them to. While I recommend that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. I do not open the account for you, although I may assist you in doing so.

### How I Select Brokers/Custodians

I seek to recommend a custodian/broker who will hold your assets, and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. I consider a wide range of factors, including, among others:

- \* Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- \* Capability to execute, clear, and settle trades (buy and sell securities for your account)
- \* Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- \* Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds (ETF’s), etc.)
- \* Availability of investment research and tools that assist me in making investment decisions
- \* Quality of services
- \* Competitiveness of the prices of those services (commission rates, margin interest rates, other fees, etc.)
- \* Reputation , financial strength, and stability
- \* Prior service to me and my other clients
- \* Availability of other products and services that benefit me, as discussed below (see “Products and Services Available to Me From Schwab”)

### Your Brokerage and Custody Costs

For my clients’ accounts that Schwab maintains, Schwab generally does not charge separately for custody services but is compensated by charging you commissions or other fees on trades that it executes. Schwab’s commission rates applicable to my client accounts were negotiated based on the condition that my clients collectively maintain a total of at least \$10 million of their assets in accounts at Schwab. This commitment benefits you because the overall

commission rates you pay are lower than they would be otherwise. I have determined that having Schwab execute your trades is consistent with my duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see “How I Select Brokers/Custodian”).

#### Products and Services Available to Me From Schwab

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab’s business serving independent investment advisory firms like me. They provide me and my clients with access to its institutional brokerage—trading, custody, reporting, and related services—many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help me manage or administer my clients’ accounts, while others help me manage my business. Schwab’s support services generally are available on an unsolicited basis (I do not have to request them) and at no charge to me as long as my clients collectively maintain a total of at least \$10 million of their assets in accounts at Schwab. If my clients collectively have less than \$10 million in assets at Schwab, Schwab may charge me quarterly service fees of \$1,200. Following is a more detailed description of Schwab’s support services.

#### Services That Benefit You

Schwab’s institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which I might not otherwise have access or that would require a significantly higher minimum initial investment by my clients. Schwab’s services described in this paragraph generally benefit you and your account.

#### Services That May Not Directly Benefit You

Schwab also makes available to me other products and services that benefit me but may not directly benefit you or your account. These products and services assist me in managing and administering my clients’ accounts. They include investment research, both Schwab’s own and that of third parties. I may use this research to service all or a substantial number of my clients’ accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- \* Provide access to client data (such as duplicate trade confirmations and account statements)
- \* Facilitate trade execution
- \* Facilitate payment of my fees from my clients’ accounts
- \* Assist with back-office functions, recordkeeping, and client reporting

#### Services That Generally Benefit Only Me

Schwab also offers other services intended to help me manage and further develop my business enterprise. These services include:

- \* Educational conferences and events
- \* Consulting on technology, compliance, legal and business need
- \* Publications and conferences on practice management and business succession

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to me. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. I have used each of the services listed above from time to time to help manage my business.

#### My Interest in Schwab's Services

The availability of these services from Schwab benefits me because I do not have to produce or purchase them. I do not have to pay for Schwab's services as long as my clients collectively keep a total of at least \$10 million of their assets in accounts at Schwab. Beyond that, these services are not contingent upon me committing any specific amount of business to Schwab in trading commissions or assets in custody. The \$10 million minimum may give me an incentive to recommend that you maintain your account with Schwab, based on my interest in receiving Schwab's services that benefit my business rather than based on your interest in receiving the best value in custody services and most favorable execution of your transactions. This is a potential conflict of interest. I believe, however, that my selection of Schwab as custodian and broker is in the best interests of my clients. My selection is primarily supported by the scope, quality and price of Schwab's services (see How I Select Brokers/Custodians above in this Item) and not Schwab's services that benefit only me.

#### Item 13. Review of Accounts

See Item 4. Advisory Business.

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

I receive an economic benefit from Schwab in the form of the support products and services it makes available to me and other independent investment advisors whose clients maintain their accounts at Schwab. These products and services, how they benefit me, and the related conflicts of interest are described above (see Item 12. Brokerage Practices). The availability to me of Schwab's products and services is not based on me giving particular investment advice, such as buying particular securities for my clients.

#### Item 15. Custody

Under government regulations, I am deemed to have custody of your assets if, for example, you authorize me to instruct Schwab to deduct my advisory fees directly from your account. Schwab maintains actual custody of your



assets. You will receive account statements directly from Schwab monthly. They will be sent to the address you provided to Schwab. You should carefully review those statements promptly when you receive them. I also urge you to compare Schwab's account statements to the periodic reports you will receive from me.

Item 16. Investment Discretion

This Item does not apply to my business.

Item 17. Voting Client Securities

I do not accept authority to vote client securities. Clients will receive their proxies or other solicitations directly from their custodian or a transfer agent, not from me. Clients are encouraged to call or email me to discuss any such proxy or solicitation.

Item 18. Financial Information

No disclosure is required under this item.

Item 19. Requirements for State-Registered Advisers.