

# HUBBELL CONSULTING, LLC

## Form ADV, Part 2A Firm Brochure

### Hubbell Consulting, LLC

13850 Ballantyne Corporate Place, Suite 500  
Charlotte, North Carolina 28277

704-887-4930 (office)

[www.hubbell-llc.com](http://www.hubbell-llc.com)

March 1, 2015

This brochure provides information about the qualifications and business practices of Hubbell Consulting, LLC. If you have any questions about the contents of this brochure, please contact us at 704-887-4930 or by e-mail at [bhubbell@hubbell-llc.com](mailto:bhubbell@hubbell-llc.com). This 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 Hubbell Consulting, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Please note that registration as an investment advisor with the securities division of the State of North Carolina or any other governing organization in the securities industry does not imply any certain level of skill, training or expertise.

**Part 2A of Form ADV: Firm Brochure**

**Item 1 Cover Page**

**PURPOSE:**

This document intends to comply with the requirements of Form ADV, Part 2 and is hereby referred to as the ***"Firm Brochure"***. The purpose is to provide information about the qualifications and business practices of Hubbell Consulting, LLC. If you have any questions about the contents of this Firm Brochure, please contact Brian C. Hubbell, Principal, Hubbell Consulting, LLC either by telephone at 704-887-4930 and/or via e-mail at [bhubbell@hubbell-llc.com](mailto:bhubbell@hubbell-llc.com). The information in this Firm Brochure has NOT been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

**HUBBELL CONSULTING, LLC CONTACT INFORMATION:**

Hubbell Consulting, LLC  
13850 Ballantyne Corporate Place, Suite 500  
Charlotte, North Carolina 28277

Brian C. Hubbell, Founder and Principal  
Office Telephone: 704-887-4930  
Office Facsimile: 704-887-5201  
E-mail: [info@hubbell-llc.com](mailto:info@hubbell-llc.com)

Firm Website: [www.hubbell-llc.com](http://www.hubbell-llc.com).

**OVERVIEW OF HUBBELL CONSULTING, LLC:**

Hubbell Consulting, LLC is an independent, fee only, professional service firm engaged in the practice of Investment consulting as a Fiduciary under ERISA, Plan Design and Compliance Consulting, and Participant Outcomes exclusive to employer sponsored retirement plans. Hubbell Consulting is privately owned. Hubbell Consulting, LLC is a "registered investment advisor" under the "North Carolina Advisors Act". While Hubbell Consulting, LLC is "registered" with the Securities Division of the State of North Carolina as an "investment advisor", this registration is NOT an endorsement by the State of North Carolina nor does it imply by the State of North Carolina or any other governing organization in the securities industry a certain level of skill, training, or expertise.

Additional information about Hubbell Consulting, LLC also is available on the Security and Exchange Commission ("SEC") website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**EFFECTIVE DATE:**

This Firm Brochure is effective March 1, 2015. The Firm Brochure is updated at least annually.

**Item 2 Material Changes**

**MATERIAL CHANGES TO FIRM BROCHURE SINCE LAST UPDATE:**

The material changes to this Firm Brochure compared to the prior Firm Brochure dated and effective March 6, 2014 are as follows:

1. Asset Under Management as reported in Item 4 of this Firm Brochure have been updated as of March 1, 2015.
2. Item 19 has been updated to remove Dana C. James.

**Item 3 Table of Contents**

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#### Item 4 Advisory Business

##### ABOUT HUBBELL CONSULTING, LLC:

1. **Background.** Hubbell Consulting, LLC (“Firm”) is a “limited liability company” formed in the state of North Carolina as of August 2005. The Firm became began operations January 2006. As of April 19, 2006, the Firm received approval as a “registered investment advisor”, from the State of North Carolina, under the State of North Carolina Investment Advisors Act. As of December 31, 2013, Hubbell Consulting, LLC is owned by Brian C. Hubbell (100%). Brian Hubbell is an “Investment Advisor Representative” of Hubbell Consulting, LLC registered investment consulting practice.
2. **Investment Consulting Services.** Hubbell Consulting, LLC (“Firm”) provides investment advisory services *exclusively* to employers on behalf of the pension and/or profit sharing plans they sponsor for employees. The Firm does NOT provide any other form of investment advisory services to any other type of client e.g. individuals, financial institutions, investment companies, estates, foundations, or endowments.
3. **Client Assets.** Hubbell Consulting, LLC does NOT manage any client assets on a “discretionary basis”. ALL client assets are managed on a “non-discretionary basis”. As of March 1, 2015, total assets under management equal \$102,883,476.

## Item 5 Fees and Compensation

### ADVISORY SERVICES – FEES:

- 1. Determination of Advisory Service Fees.** Hubbell Consulting, LLCs (“Firm”) fees are determined based on Hourly Charges (advisory time incurred by Firm staff multiplied by corresponding billing rates) Project Fee (flat dollar amount), OR, a Retainer Fee (recurring flat dollar amount). For client engagements comprising Hourly Charges or Project Fees, the Firm generally initiates services by requesting an “Engagement Fee” equal to a fixed amount lower than the total fees for such advisory services set forth in the contract or agreement. Thereafter, invoices will be submitted on a periodic basis for services rendered, applying the initial Engagement Fee as an offset.

The Firm does not charge or receive any other form of fees e.g. percentage of assets, commissions, subscriptions or any other compensatory arrangement. The firm does not have a “fee schedule”. Rather, our fees are determined based on the amount of time and corresponding billing rates of our consulting and administrative staff. The rates are as follows; Principal \$285 per hour, Senior Consultant \$200 to \$285 per hour, Consultant \$100 to \$150 per hour, and Administrative Staff \$25 to \$35 per hour. Generally, our fees are not negotiable, however, the Firm may reduce the preceding billing rates based on the scope and activities of the assignment in determining the applicable fees.

- 2. Invoicing Client.** Hubbell Consulting, LLC invoices clients “retainer fee” on a quarterly basis (within first 15 days of each calendar quarter). Retainer fees denote pre-defined advisory services set forth in a written agreement applicable for such quarterly period. These services are invoiced in advance of providing such quarter’s services. Hubbell continually monitors and tracks all client invoices, service deliverables, and payments. Hubbell ensures the delivery of services within 6 months where invoices represent “advanced payments” of \$500.00 or more. In the event the client terminates the services of Hubbell Consulting, LLC attributable to such quarter’s investment consulting, the entire amount of the invoice is refunded to the client. Advisory services subject to “hourly charges” and “project fees” will be invoiced on a periodic basis.
- 3. Method of Payment of Invoice.** Payment of invoices submitted per Item 2 above are either paid directly by the client (i.e. employer sponsoring the pension and/or profit sharing plan) or, paid from the plan assets of the applicable pension or profit sharing plan. The origin of the payment in the preceding sentence is completely the choice of the client. However, if the client elects to pay Hubbell Consulting, LLC invoices from the assets of the pension and/or profit sharing plan, such plan must permit the payment of such fees. This is required under the laws and regulations governing employer sponsored retirement plans i.e. Internal Revenue Code and Employee Retirement Security Act of 1974 and amendments thereto.
- 4. NO Other Fees Applicable.** Other than the Fees described in Item 1 above, Hubbell Consulting, LLC does not receive any form of fee, compensation, or gratuity of any kind.

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

**NON INVESTMENT PERFORMANCEE BASED FEES:**

Hubbell Consulting, LLC does NOT determine or structure ANY form of “investment return” performance as a basis for fees charged to clients.

**Item 7**      **Types of *Clients***

**PENSION AND/OR PROFIT SHARING CLIENTS:**

Hubbell Consulting, LLC provides advisory services exclusively to pension and/or profit sharing plans sponsored by employers for their employees. Thus, there are NO other types of clients e.g. individuals, foundations, endowments, investment companies.

Effective 2012, the minimum fee applicable to new clients to provide investment supervisory services to their pension and/or profit sharing plan is generally \$25,000.00 per plan.



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

**INVESTMENT CONSULTING PROCESS:**

- 1. Method of Analysis.** Hubbell Consulting, LLC embodies the 27 steps developed by The Foundation for Fiduciary Studies to conduct analysis of investment funds/managers. Briefly, for each asset class, the following quantitative and qualitative steps are conducted:

  1. Quantitative Screens – Applying the universe of Mutual Fund data (over 22,000 funds) and/or Separate Account Managers from Morningstar or Lipper, initial screens are applied to each asset class to narrow the universe. These screens include the following metrics with primary emphasis being 3 and 5 years statistics (1) Annualized Return/Percentile Rank vs. Peer Group, (3) Volatility Adjusted Performance Metrics e.g. Sharpe Ratio, Treynor Ratio, Information Ratio, (4) Expense Ratio (i.e. below median), and (5) ***NO COMMISSIONS e.g. No 12b-1 fees (mutual funds), finder fees or any form of commission expense.***
  2. Quantitative Analysis – Following step one, further analysis is conducted including (1) Style consistency with fund objective/asset class, (2) Standard Deviation, (3) Turnover Ratio, and (4) Assets under management.
  3. Qualitative Analysis – Funds passing the screens/analysis in steps one and two are then further analyzed for additional factors including (1) Manager tenure, (2) Investment management philosophy, (3) Organizational stability, (4) Regulatory concerns, and (5) Correlation with other plan investments.
- 2. Investment Strategy and Recommendations.** A “short list” of managers/funds, for each asset class, will be presented to the pension or profit sharing plan Investment Committee in a written report detailing the analysis process, observations, and recommended fund selection including exhibits illustrating metrics for all decisions. This report will be presented in person (or via teleconference) and each element of the report will be discussed including explaining the “risk” associated with each asset class and specific fund recommended, as well as the relative difference in risks among all asset classes comprising the pension and/or profit sharing plans’ portfolio. ***The client is fully informed of the risk of loss applicable in ALL asset categories and selected investment funds.***
- 3. Primary Types of Investments.** The primary types of investment securities include regulated mutual funds, collective investment trusts, stable value funds, and separate managed accounts. These investments are managed by third party investment managers that are NOT affiliated with Hubbell Consulting, LLC. The risk of these type investments can be readily measured and evaluated applying the analysis and evaluation process described in items 1 and 2 above.

**Item 9      Disciplinary Information**

**LEGAL OR DISCIPLINARY EVENTS:**

The following are three primary categories in which legal or disciplinary events may be imposed on an investment advisor firm or “management person” of the firm and, if applicable, must be disclosed to clients or prospective clients. As indicated in each of the three categories, Hubbell Consulting, LLC (“Firm”) has NOT encountered any legal or disciplinary action nor has any “management person” of the Firm.

- 1. Criminal or Civil Action in a Domestic, Foreign, or Military Court - Applicable to the Investment-Related Business. NONE.**
- 2. Administrative Proceeding Before the SEC, any Federal Regulatory Agency, any State Regulatory Agency, or any Foreign Financial Regulatory Authority – Applicable to the Investment –Related Business. NONE.**
- 3. A Self – Regulatory Organization (SRO) Proceeding - Applicable to the Investment –Related Business. NONE.**

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

**OTHER FINANCIAL ACTIVITIES, AFFILIATIONS, OR CONFLICTS OF INTEREST:**

***Hubbell Consulting, LLC or any management persons have NO other financial activities, affiliations, or conflicts of interest.*** Hubbell Consulting, LLC was formed for the exclusive purpose of avoiding any such activities beyond the Advisory Business described in Section 4 above. Additionally, Hubbell Consulting, LLC or any management persons have NO affiliations or conflicts of interest including, but not limited to, the following list.

1. NO affiliation or pending registration with any broker-dealer;
2. NO affiliation of pending registration with a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities;
3. NO affiliation or material relationship or arrangement with any of the following persons or organizations (1) Broker – dealer or securities dealer of any kind, (2) Investment company or any “pooled” investment vehicles, (3) Other investment adviser or financial planner, (4) Futures commission merchant, commodity pool operator or trading advisor, (5) Banking or thrift institution, (6) Accountant or accounting firm, (7) Lawyer or law firm, (8) Insurance company or agency, (9) Pension consultant, (10) Real estate broker or dealer, or (11) Sponsor or syndicator of limited partnerships.; and
4. Does NOT recommend or select other investment advisors for clients and receive compensation from an investment advisor.

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

**HUBBELL CONSULTING, LLC CODE OF ETHICS:**

Hubbell Consulting, LLC has established and adheres to the following Codes of Ethics in the course of rendering consulting services to clients.

1. Act with honesty and integrity at all time regardless of the matter.
2. Avoid any conflicts of interest – real or perceived - involving security transactions that otherwise require disclosures by federal, state, or self regulatory organizations.
3. Ensure timely and understandable disclosure of relevant information that is accurate, complete, and objective.
4. Know the limits of our expertise, and refer clients to colleagues and/or other professionals in connection with issues beyond the firm’s knowledge and skills.
5. Hold in strict confidence all client information acquired in the course of our work and not disclose such information to others.
6. Establish fees for services fairly among all clients – based on the time necessary to conduct the scope of assignments accurately and completely.

**All clients and prospective clients will receive a copy of Hubbell Consulting, LLC Code of Ethics upon request.**

**Item 12      Brokerage Practices**

**NOT APPLICABLE:**

Hubbell Consulting, LLC does NOT evaluate, facilitate, or recommend broker-dealer s to clients.

**Item 13      Review of Accounts**

**REVIEW OF PENSION OR PROFIT SHARING PLAN INVESTMENTS:**

1. **Quarterly Review and Process.** Hubbell Consulting, LLC conducts "on-going" reviews of pension or profit sharing plans on a quarterly basis. In advance of each review, a written quarterly report, described in Item 3 below, is prepared and distributed to the plan's Investment Committee containing investment performance for each fund, key metrics, performance against appropriate indices and peer group, and identifying any metric that fails the standard set forth in the Investment Policy Statement (IPS). The IPS will be formally reviewed annually to evaluate the need for additions or modifications. Additionally, throughout the year, the IPS is utilized as the "benchmark" for each quarter's performance, and changes may be made mid-year, if deemed appropriate. During 2013, Brian C. Hubbell, Principal, and Dana C. James, Principal | Chief Investment Officer will perform all client reviews.
2. **Additional Client Contact and Reviews.** Hubbell Consulting, LLC will contact clients beyond regularly scheduled "quarterly reviews" per Item 1 above in the event there is a significant event that has occurred or is newsworthy with regard to an investment manager within a client's pension or profit sharing plan. In this event, immediate review and analysis of such investment manager(s) will be provided to the client, as necessary, and meeting(s) and/or teleconference(s) conducted to determine the course of action.
3. **Client Reports and Frequency.** Hubbell Consulting, LLC prepares quarterly reports of clients' pension or profit-sharing plans titled Quarterly Monitoring Reports ("QMR") or Quarterly Performance Reports ("QPR"). These reports are written and contain (1) Summary of the Plan's IPS criteria, (2) Identification of investment funds on a "watch list" or "under scrutiny", (3) Monitoring decisions recorded from prior quarterly meeting with the plan's investment committee, (4) News worthy items specific to each investment fund and investment company arising during the past quarter (e.g. changes in investment managers, changes in senior staff of investment company, probes or investigations by government agencies etc.), (5) Total return performance of each investment fund i.e. Quarter; Year to Date; 1, 3, 5, and 10 years, and (6) Risk and return analysis including specific metrics e.g. Standard Deviation, Alpha, Beta, R2, Treynor Ratio, Information Ratio, and Sharpe Ratio.

**Item 14      Client Referrals and Other Compensation**

**NO COMPENSATION RECEIVED BY OR PAID TO THIRD PARTIES:**

1. **NO Compensation Receive By Any Other Entity.** Hubbell Consulting, LLC's is exclusively paid for all services rendered by the client. Hubbell Consulting, LLC does NOT receive any other form of compensation (direct or indirect), economic benefit, or gratuities from ANY other individual, person, or entity of any kind.
2. **NO Compensation Paid for Client Referrals.** Hubbell Consulting, LLC ("Firm") does NOT compensate or provide any economic benefit to an individual, person, or entity of any kind in the event the Firm is referred to a prospective client or if such prospective client engages the Firm. Similarly, the Firm does NOT receive any compensation from any individual, person, or entity of any kind in the event the Firm refers the services

**Item 15      Custody**

**HUBBELL CONSULTING, LLC DOES NOT HOLD CUSTODY OF FUNDS:**

Hubbell Consulting, LLC does NOT hold custody of client's funds.



**Item 16 Investment Discretion**

**HUBBELL CONSLUTING, LLC DOES NOT HAVE DISCRETIONRY AUTHORITY:**

Hubbell Consulting, LLC does NOT have discretionary authority over the investment decisions of client's Pension or Profit Sharing Plan assets. The Firm is engaged as an "investment advisor" to the Plan's Investment Committee and provides analysis, monitoring, and investment recommendations; but does not assume discretionary authority as to the Plan's investments. Such authority is held by the Plan's Investment Committee.

**Item 17      Voting Client Securities**

**HUBBELL CONSULTING, LLC DOES NOT ACCEPT VOTING CLIENT SECURITIES:**

Hubbell Consulting, LLC does NOT accept or ever have authority to vote client securities. Clients will receive their proxies or other solicitations directly from their custodian or transfer agent. Clients will not receive any notification of any kind from Hubbell Consulting, LLC nor does Hubbell Consulting, LLC provide information or respond to questions from clients on any matter regarding client securities.

**Item 18 Financial Information**

**HUBBELL CONSULTING, LLC EXEMPT FROM PROVIDING FINANCIAL INFORMATION:**

Hubbell Consulting, LLC ("Firm") is exempt from providing financial information since the firm does NOT require or receive fees from clients six months or more in advance of rendering investment advisory services nor does the Firm have discretionary authority OR custody of client funds i.e. Pension or Profit Sharing Plan assets.

Hubbell Consulting, LLC has NEVER been the subject of a bankruptcy petition at any time since the Firm was established on August 2005 and began operations January 2006.

**Item 19 Requirements for State-Registered Advisers**

**HUBBELL CONSULTING, LLC BUSINESS BACKGROUND AND OTHER ACTIVITIES:**

**1. Business and Education Background of Principal(s) of Hubbell Consulting, LLC.**

**Brian C. Hubbell**

1. Name: Brian C. Hubbell
2. Year of Birth: 1958
3. Education: Bachelor of Science Degree, University of Iowa (May, 1980)
4. Examination: Passed FINRA Series 65 Law Examination
5. Business/Employment Background:
  - Hubbell Consulting, LLC – Founder, January 2006 – Present
  - Findley Davies, Inc. – Principal, March 1985 – December 2005
  - Mutual Of New York – Pension Consultant, June 1980 – March 1985

**Thomas William Park Bowler**

1. Name: Thomas William Park Bowler
2. Year of Birth: 1975
3. Education: B.A. Business Administration, Campbell University (2002)
4. Education: Master's in Trust & Investment Management, Campbell University (2003)
5. Examinations: Passed:
  - FINRA Series 65 Uniform Investment Advisor Law Examination
  - Level I and Level II, CFA® Examination, CFA Institute
6. Designations:
  - Accredited Investment Fiduciary (AIF®), Center for Fiduciary Studies
  - Qualified Plan Financial Institute (QPFC™), American Society of Pension Professionals & Actuaries (ASSPA)
7. Business/Employment background
  - SHDR Investment Advisors, Inc. – Investment Analyst/Assistant VP: 2003 - 2005
  - SHDR Investment Advisors, Inc. – Investment Consultant/Vice President: 2005-2007
  - Mercer – Investment Consultant/Associate: 2007-2008
  - PrimeTRUST Advisors – Chief Investment Strategist: 2008 – 2012
  - Hubbell Consulting, LLC – Director, Investment Research: 2014 - Present

## **HUBBELL CONSULTING, LLC BUSINESS BACKGROUND AND OTHER ACTIVITIES (cont.):**

### **1. Consulting Services**

Hubbell Consulting, LLC is a fee only professional service firm that provides investment advisory services and consulting services exclusively to employer sponsored retirement plans. Approximately 75% of the firm's time is spent on consulting services comprising plan design/compliance and participant outcome solutions. These consulting services are not associated with any financial product or security.

#### **Pension and Profit Sharing Plans – Plan Design and Compliance**

- Benchmark current defined contribution and/or defined benefit pension plan design
- Conduct cost/benefit analysis of current plan(s) vs. alternatives
- Audit plan operations and administrative processes for compliance
- Review plan reporting and testing requirements for accuracy
- Analyze all components of fees for investments, custody, and third party services
- Audit plan for compliance with ERISA section 404(c)
- Conduct compliance review of fiduciary governance requirements of ERISA
- Advise on retirement plan legislative and regulatory matters

#### **Pension and Profit Sharing Plans – Participant Outcome Solutions**

- Analyze employee “retirement readiness” statistics
- Evaluate employee education and investment advice strategies and mediums
- Conduct due diligence on investment advice arrangements required under ERISA
- Review appropriateness of automatic enrollment for plan participants
- Formulate specific education or advice programs and goal metrics
- Source and evaluate effective education materials, advice providers, and resources
- Ensure participant education material complies with the Department of Labor Bulletin 96-1
- Coordinate logistics and implementation of employee programs and workshops