

**COVER PAGE**

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This brochure provides information about the qualifications and business practices of Pineno Levin & Ford Asset Management, Inc. ("PLF"). If you have any questions about the contents of this brochure, please contact us at 804-288-3772 or at jeff@pinenolevinford.com. 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 Pineno Levin & Ford Asset Management, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search for our firm by using our CRD number, which is 105914.

PLF is registered with the SEC. However, this registration, while required by law, does not indicate any established or set level of skill or training on our part.

**MATERIAL CHANGES**

There have been no material changes made to PLF's Part 2A Brochure since last year's Annual Amendment filing on March 15, 2016. PLF below has made disclosure additions and enhancements, including at the Advisory Business and Fees and Compensation sections regarding financial planning limitations, retirement rollovers, and fee schedule disparity and the corresponding potential conflict of interest. In addition, PLF has updated its principal office location to the address noted above. ANY QUESTIONS: PLF Chief Compliance Officer, Jeffrey D. Levin, remains available to address any questions regarding this Part 2A, including the disclosure additions and enhancements below.

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## **ADVISORY BUSINESS**

PLF has been in business since 1994. We provide our clients with investment management services consisting primarily of discretionary asset management through the use of equity, fixed income, and balanced (between equity securities such as stocks and fixed income securities such as municipal, corporate or government bonds) portfolios. We include within our asset classes mutual funds and exchange traded funds. We also may provide non-discretionary investment advisory services on a limited basis. In these cases we review a client's assets or a portion of them and then provide investment advice to the client as to the investment or reinvestment of the clients' assets. The client is responsible for acceptance and implementation of the advice.

Our services and processes are designed to determine and address each client's specific investment needs through creation of a detailed client profile designed to collect information as to the client's investment circumstances, objectives, time horizon expectations, and past investment experience as well as risk tolerance. When completing the questionnaire, the client may also impose restrictions on our ability to implement particular types of investments on his/her behalf if that is the client's preference. We then review the information with the client and develop an investment policy.

As part of our investment advisory service we also subscribe to third-party financial planning software and will create financial planning forecasts for clients upon request for no additional fee. We utilize the results of these forecasts to assist in advising clients on appropriate allocations of their investment assets between various asset classes and to provide clients input for their personal planning for matters such as retirement.

We do not provide legal, tax, or accounting advice or services and you should not assume that we are providing you such services at any time. Also, you should understand that, generally speaking, securities or other investments for which we provide advice to you are not deposits or obligations of any bank, are not endorsed or guaranteed by any bank, and are not insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other governmental agency and that neither PLF nor any of its affiliated companies is a trust or banking institution.

The principal owners of PLF are Francis Pineno, who is President, and Jeffrey Levin, who is Secretary/Treasurer as well as serving as our Chief Compliance Officer. The amount of client assets we manage on a discretionary basis as of December 31, 2016, is \$288,928,381, and the amount of client assets we manage on a non-discretionary basis as of December 31, 2016, is \$8,583,302.

Limitations of Financial Planning and Non-Investment Consulting/Implementation Services. To the extent requested by a client, PLF may provide financial planning and related consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. PLF does not serve as a law firm, accounting firm, or insurance agency, and no portion of PLF's services

should be construed as legal, accounting, or insurance implementation services. Accordingly, PLF does not prepare estate planning documents, tax returns or sell insurance products. To the extent requested by a client, PLF may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance agents, etc.). Clients are reminded that they are under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation made by PLF or its representatives. Please Note: If the client engages any unaffiliated recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

Retirement Rollovers-Potential for Conflict of Interest: A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If PLF recommends that a client roll over their retirement plan assets into an account to be managed by PLF, such a recommendation creates a conflict of interest if PLF will earn an advisory fee on the rolled over assets. No client is under any obligation to roll over retirement plan assets to an account managed by PLF. PLF's Chief Compliance Officer, Jeffrey D. Levin, remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.

Non-Discretionary Service Limitations. Clients that determine to engage PLF on a non-discretionary investment advisory basis must be willing to accept that PLF cannot effect any account transactions without obtaining prior consent to such transaction(s) from the client. Thus, in the event that PLF would like to make a transaction for a client's account (including in the event of an individual holding or general market correction), and the client is unavailable, PLF will be unable to effect the account transaction(s) (as it would for its discretionary clients) without first obtaining the client's consent.

Tradeaway/Prime Broker Fees. Relative to its discretionary investment management services, when beneficial to the client, individual fixed income transactions may be effected through broker-dealers other than the account custodian, in which event, the client generally will incur both the fee (commission, mark-up/mark-down) charged by the executing broker-dealer and a separate "tradeaway" and/or prime broker fee charged by the account custodian (Schwab).

Use of Mutual Funds. While PLF may recommend allocating investment assets to mutual funds that are not available directly to the public, PLF may also recommend that clients allocate investment assets to publically-available mutual funds that the client could obtain without engaging PLF as an investment adviser. However, if a client or prospective client determines to allocate investment assets to publically-available mutual funds without engaging PLF as an investment adviser, the client or prospective client would not receive the benefit of PLF's initial and ongoing investment advisory services.

Please Note: Inverse/Enhanced Market Strategies. PLF may utilize long and short mutual funds and/or exchange traded funds that are designed to perform in either an: (1) inverse relationship to certain market indices (at a rate of 1 or more times the inverse [opposite] result of the corresponding index) as an investment strategy and/or for the purpose of hedging against downside market risk; and (2) enhanced relationship to certain market indices (at a rate of 1 or more times the actual result of the corresponding index) as an investment strategy and/or for the purpose of increasing gains in an advancing market. There can be no assurance that any such strategy will prove profitable or successful. In light of these enhanced risks/rewards, a client may direct PLF, in writing, not to employ any or all such strategies for his/her/their/its accounts.

Client Obligations. In performing its services, PLF shall not be required to verify any information received from the client or from the client's other designated professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains their responsibility to promptly notify PLF if there is ever any change in their financial situation or investment objectives for the purpose of reviewing/evaluating/revising PLF's previous recommendations and/or services.

Please Note: Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by PLF) will be profitable or equal any specific performance level(s).

Disclosure Statement. A copy of PLF's written disclosure statement as set forth on Part 2 of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the Investment Advisory Agreement or Financial Planning and Consulting Agreement.

## **FEES AND COMPENSATION**

PLF is typically compensated for its investment advisory services by charging you a management fee based on the market value of your assets under our management. This fee is based upon the fee schedule set forth below:

<b>Equity Portfolio</b>	<b>Fixed Income Portfolio</b>
1% for first \$1,000,000 in assets	.35% for first \$1,000,000 in assets
.6% on assets over \$1,000,000	.25% on assets over \$1,000,000

The fee for a balanced portfolio will be a combination of the fee schedules for equity portfolios and for fixed income portfolios, adjusted proportionally.

Our fee for the management of mutual fund or exchange traded mutual funds within a client's portfolio is generally a maximum of .50% of those assets.

Fees are billed quarterly in advance based upon the market value of the assets at the end of the preceding quarter. If your relationship with us is begun or ended during a calendar quarter, your fee will be prorated for the appropriate number of days completed or remaining in the quarter and, where

applicable, you will be issued a refund for the portion of your quarterly fee paid in advance which was unearned.

We may negotiate the amount of your fee depending upon circumstances including but not limited to account composition and complexity, other client, employee or family relationships, etc. which may result in different fees being charged by us for client accounts similar in composition and objectives. Our employees and their family-related accounts may be charged a reduced fee, or no fee, for our services.

You may pay your fee to us directly upon receipt of an invoice from us or you may authorize your custodian to allow us to directly debit our fee from your account or accounts. If you choose the latter method, your custodian will not confirm our fee but will pay the amount based on the fee amount communicated to the custodian by us and send it directly to us. You will receive a periodic statement from your custodian that will include the amount of the fee that has been sent to us. You will also receive a detailed fee invoice from us prior to us charging your account any fee. You should confirm the accuracy of our fee calculation upon receipt of our invoice and your custodian's statement.

As discussed above in the section on Advisory Business, we also may provide non-discretionary investment advisory services. Our charge for these services may be an asset-based percentage or a fixed fee depending upon the nature and complexity of the services provided and as negotiated with the client prior to rendering of the services.

The fees you pay us do not include brokerage commissions or other fees or charges associated with securities transactions implemented with or through a brokerage firm, mark-ups or mark-downs in principal transactions, deferred sales charges, odd-lot differentials, stock exchange fees, wire transfer or related processing fees, transfer taxes or other charges mandated by law or regulation, all of which will be charged to you in addition to our fee. We do not receive any portion of any of the foregoing expenses or fees. You should go to the section on Brokerage Practices in our brochure for more information on how we select or recommend brokerage firms for your securities transactions and information related to that process.

You should understand that mutual funds, including exchange traded funds, in which your assets are invested by us or by others, impose separate investment management fees and other operating expenses, described in the fund's prospectus, for which you, the client, will be charged separately from the fee paid to us for our services.

Clients should be aware that similar or comparable services may be available from other firms including other investment management firms at a cost higher or lower than that available through us.

Please Note: Potential Conflict of Interest. Although PLF will allocate client assets consistent with the client's designated investment objective, the fact that PLF earns a higher fee for management of equity securities per the above fee schedule, presents a *conflict of interest* since the fee schedule disparity could provide PLF with an economic incentive to allocate more assets to equity securities from which it

will earn a higher advisory fee. ANY QUESTIONS: PLF's Chief Compliance Officer, Jeffrey D. Levin, remains available to address any questions regarding this conflict of interest.

## **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

This section does not apply to Pineno Levin & Ford Asset Management, Inc.

## **TYPES OF CLIENTS**

Our clients include individual persons, pension and profit sharing plans, trusts, estates, charitable organizations, and corporations or similar business entities. Generally, our minimum account size is \$500,000, although this may be waived based on other considerations such as the account's relationship to established clients or other factors. Please Note: Similar advisory services may be available from other investment advisers for similar or lower fees. ANY QUESTIONS: PLF's Chief Compliance Officer, Jeffrey D. Levin, remains available to address any questions that a client may have regarding its advisory fee schedule.

## **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

We use several methods of investment analysis and investment strategies to provide services to our clients. Our methods of investment analysis include fundamental analysis which is the analysis of a company's financial statements, its management, competitive advantages, markets, etc. and technical analysis which is the analysis of a company by studying past market data such as price and volume. Our investment strategies include long-term purchases (securities generally held for at least a year); short-term purchases (securities generally held for less than a year); and the use of stock options (securities that provide the investor with an opportunity to purchase or sell another security or property at a specified price over a stated time). In instances where we use options, we generally use a covered call option writing strategy. The vast majority of our investment strategy is based on long-term purchases of securities and fundamental analysis.

Covered Call Writing. Covered call writing is the sale of in-, at-, or out-of- the money call option against a long security position held in a client portfolio. This type of transaction is used to generate income. It also serves to create downside protection in the event the security position declines in value. Income is received from the proceeds of the option sale. Such income may be reduced to the extent it is necessary to buy back the option position prior to its expiration. This strategy may involve a degree of trading velocity, transaction costs and significant losses if the underlying security has volatile price movement. Covered call strategies are generally suited for companies with little price volatility.

The securities we use in our investment strategies and investment advice include equity securities such as exchange listed securities; securities traded over the counter and foreign issues; debt securities of corporations and similar entities; commercial paper; certificates of deposit; municipal and government securities; investment company securities such as mutual fund shares including exchange traded funds; and stock options.

Investing in securities such as the types of securities used by us in managing your assets or providing you investment advice involves the potential risk of loss in the value of the securities both in the amount invested in the securities as well as any profits which have not been realized by selling the securities. You should be prepared to bear the risk of such losses. The degree of risk depends upon the type of security or strategy involved.

#### **DISCIPLINARY HISTORY**

This section does not apply to Pineno Levin & Ford Asset Management, Inc. or any of its employees.

#### **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

This section does not apply to Pineno Levin & Ford Asset Management, Inc. or any of its employees.

#### **CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

PLF has adopted a written Code of Ethics under which all our full-time employees may be required to obtain pre-clearance to affect certain transactions in securities for their personal accounts in order to seek to avoid conflicts of interest with transactions being affected in client accounts. Our employees may buy or sell the same securities that we recommend that our clients invest in or that we purchase or sell on our clients' behalf. This presents a conflict of interest between our employees' own financial interest and the best interest of our clients. We have addressed this conflict of interest by imposing trading restrictions under the Code of Ethics referenced above that include restrictions on our employees' personal trading based upon investment activity occurring in our clients' accounts. There are certain exceptions from the pre-clearance requirements for transactions that we do not believe present a conflict of interest between our employees and our clients such as where our employees receive the same averaged price and incur the same proportional transaction costs as our clients through a block order of equity securities.

Pre-approval must also be obtained by employees before investing in initial public offerings of securities and before investing in a private placement of securities. Our employees are required to either provide us copies of their quarterly brokerage statements or submit quarterly reports relating to their personal transactions and an annual report of their personal securities holdings to us. Our Code of Ethics also contains policies and procedures that are intended to prevent the misuse of material non-public information. A copy of our Code of Ethics is available to you upon request by contacting us through the contact information provided on the Cover Page of this brochure.

#### **BROKERAGE PRACTICES**

**The custodian and brokers we use:** PLF does not maintain custody of your assets that we manage, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see Custody, below). Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. We recommend that our clients use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a



brokerage account and buy and sell securities when we instruct them to. While we 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. We do not open the account for you, although we may assist you in doing so. Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account as described below (see “Your brokerage and custody costs”).

**How we select brokers/custodians:** We seek to recommend a custodian/broker that will hold your assets and execute transactions on terms that are, overall, most advantageous when compared with other available providers and their services. We consider a wide range of factors, including:

- 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 [ETFs], etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, and stability
- Prior service to us and our other clients
- Availability of other products and services that benefit us, as discussed below (see “Products and services available to us from Schwab”)

**Your brokerage and custody costs:** For our clients’ accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. In addition to commissions and asset-based fees, Schwab may charge you a flat dollar amount as a “prime broker” or “trade away” fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account. We have determined that having Schwab execute most trades is consistent with our 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 we select brokers/custodians”).

**Products and services available to us from Schwab:** Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab’s business serving independent investment advisory firms like us. They provide us and our clients with access to its institutional brokerage services (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 us manage or administer our

clients' accounts, while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. 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 we might not otherwise have access or that would require a significantly higher minimum initial investment by our 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 us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our 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 account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

**Services that generally benefit only us:** Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. 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. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

**Our interest in Schwab's services:** The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services. These services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. We may have an incentive to recommend that you maintain your account with Schwab, based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as our recommended custodian and broker is in the best interests of our clients.

Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How we select brokers/ custodians") and not Schwab's services that benefit only us.

PLF's Chief Compliance Officer, Jeffrey D. Levin, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangements may create.

We review on a continuous basis our brokerage practices and the reasonableness of compensation or other remuneration paid to brokerage firms in order to monitor our efforts to seek best execution of client transactions.

**Directed Brokerage:** We will execute transactions through a particular brokerage firm if you decide to direct us to execute transactions through that particular brokerage firm. In this situation, you will be responsible for negotiating the commission rates you pay, not us. You should be aware that our inability to negotiate commissions and obtain volume discounts may result in best execution not being achieved for transactions in your account(s). As a result, transactions in accounts directed by you to a particular brokerage firm may result in higher commissions, greater spreads, or less favorable net prices than would be the case if we were authorized to choose the brokerage firm through which to execute transactions for your account(s). Higher transaction costs impact account performance.

You should also be aware that disparities in commission charges for similar transactions in accounts in different clients of ours may exist, and that there is a conflict of interest arising from such directed brokerage practices. You should be aware that transactions for accounts that we have been instructed by you to direct to a specified brokerage firm may be placed subsequent to transactions we enter for client accounts where we determine the brokerage firm through which to execute transactions for clients. This practice may result in less favorable execution for those accounts where we have been instructed by you to direct trades to a specified brokerage firm for execution.

You should be aware that you have brokerage options that you should consider other than instructing us to direct your transactions to a particular brokerage firm, including the use by us of other brokerage firms we determine to use for execution of client transactions, possibly at a lower commission cost, and that this option may be available through us.

**Block Transactions:** We may group or block orders from time to time for the same security for more than one client account in order to more effectively execute the orders in what is known as a "block transaction." This process can create trading efficiencies, prompt attention to the order and improve price execution since the block transaction may be executed at various prices but overall is averaged as to price. Therefore, clients whose transactions are part of the block transaction will receive the same average price and trading costs. PLF may, on occasion, rotate trade placement using three categories with the first being client transactions in accounts held at and to be traded at Schwab; the second being client transactions in accounts held at Schwab but to be traded away from Schwab; and the third being client transactions subject to directed brokerage trading restrictions as discussed above. However, since most client transactions are traded at Schwab, this rotational process does not apply on a regular basis. Personal transactions of our employees may be included in such block transactions. Where such block

transactions are not fully executed, we will seek to allocate the executed portion of the block transaction on a basis that we consider fair to our clients over time. Generally, this will mean a pro rata allocation or allocation on a rotational basis although we may, in certain circumstances, allocate purchases or sales on some other basis, after consideration of factors such as taxability of the account, cash available for investment, asset mix of the account, objectives and restrictions of the account, company and industry concentrations, broker designations specified by the client, size of the execution versus the total order size, and partial positions versus full positions. Any employee transactions will be excluded from block transactions that are not fully executed.

**Cross Transactions:** We may, from time to time, buy or sell securities from one client account managed by us to another client account managed by us, referred to as a “cross transaction,” but will do so only when we have a reasonable belief that our obligation to seek best execution can be satisfied for all clients involved in the transaction and subject to all requirements for these transactions. We receive no transaction-based consideration such as a fee or commission from these transactions.

**Trade Errors:** Errors in executing client transactions may occur from time to time, which we will seek to correct on a timely basis so that you will not incur a loss or other costs as a result of any such errors. Any loss or costs incurred as a result of the correction of such errors will be borne by us or by your broker/custodian while any market gains resulting from the correction of such errors will usually be retained by your broker/custodian or by you.

## **REVIEW OF ACCOUNTS**

Our clients’ accounts are reviewed on a continuous basis with a full review being conducted on a monthly basis by the individual portfolio manager with primary responsibility for the particular account. Our portfolio managers are Francis Pineno, Jeffrey Levin, and Scott McFadden. In addition, a quarterly review of all accounts is conducted by Jeffrey Levin, Chief Compliance Officer. All portfolio managers also engage in research of various securities. Factors that may trigger more frequent reviews of client portfolios include the following: changes in client investment objectives or circumstances such as retirement or a large contribution or withdrawal to or from an account; significant developments or events specific to a particular security held in the account; or significant market, economic, or political developments.

We will provide you written reports concerning your account(s) with us on a quarterly basis. These quarterly reports will include among other items an executive summary, a market commentary, portfolio listings including current positions, quantities and prices, cost basis, current yields, an organization of your investments by asset class and sectors, and performance data. An invoice for our quarterly fee is included with the report. You will also receive account statements and trade confirmations directly from your custodian concerning your account(s), which generally contain information relating to all transactions and other account activity.

## **CLIENT REFERRALS AND OTHER COMPENSATION**

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

We may compensate our employees, including our portfolio managers, who refer potential clients to us for our services. Thus, the employee will have a financial interest in the selection of PLF by the client for investment management services. PLF does not compensate, directly or indirectly, any person, other than its employees, for client introductions.

Please refer to the section on Brokerage Practices in our brochure for information on other economic benefits we may receive for providing services to you.

## **CUSTODY**

Under government regulations, we are deemed to have custody of your assets if, for example, you authorize us to instruct your custodian (usually Schwab) to deduct our advisory fees directly from your account. Your custodian maintains actual custody of your assets. You will receive account statements directly from the custodian at least quarterly. They will be sent to the email or postal mailing address you provided to them. In the case of an email, a web link will be provided to you to access the statements via the custodian's website. You should carefully review those statements promptly when you receive them. We also urge you to compare the custodian's account statements with the quarterly account statements you will receive from us. You should also remember that the statements you receive from your custodian are your official record of your accounts and assets for tax purposes. You will also receive trade confirmations from your custodian whenever a trade is completed in your account. It should be noted that your account custodian does not verify the accuracy of PLF's advisory fee calculations.

## **INVESTMENT DISCRETION**

We will accept discretionary investment authority over your assets if you agree to such an arrangement. This is typically accomplished through execution of a limited trading authority or similar written authority contained in your client agreement with us and your custodian or through similar authority contained in a wrap fee arrangement you may execute with the brokerage firm that established the wrap fee arrangement. When executing your client agreement with us, you can further limit the extent of discretionary investment authority to be granted to us, although this may impact the level of services we can provide you. You may also place restrictions on our authority, such as instructions not to make investments in certain industries or to not sell certain investments you may have due to possible adverse tax consequences to you.

## **VOTING CLIENT SECURITIES**

You may choose to vote proxies relating to certain investments in your account(s) or you may choose to have us vote proxies relating to your investments. We have policies and procedures in place for voting proxies relating to certain investments in your account(s) with us designed to result in the voting of proxies in our clients' best interests. We utilize Broadridge Investor Communication Solutions, Inc. ProxyEdge service to vote client securities. We generally adhere to predetermined voting guidelines, though we retain ultimate discretion in voting proxies in our clients' best interests. The predetermined voting guidelines are those principles of Egan-Jones Proxy Services Proxy Voting Principles and Guidelines.

We do not vary from these guidelines due to any potential conflict of interest we may have, including business or personal relationships with management or other business interests or considerations. Generally, we do not allow clients to instruct us how to vote specific proxies for which we have been granted authority to vote by you although we will consider such instructions upon request. You may obtain a complete copy of our policies and procedures for voting proxies and a record of how we have voted the proxies for your investments by contacting us through the contact information we included on the Cover Page of this brochure.

**Class Action Lawsuits:** Securities in accounts managed by us are periodically the subject of litigation, particularly class action lawsuits. Our clients from time to time receive notifications, information, documents, etc. regarding these lawsuits, including communications from claims administrators regarding proposed settlement terms and claims processes. We do not receive these notifications directly but our clients will often bring the matter to our attention and request our assistance. We consider assisting our clients in this process to be part of the service we provide.

**Core Holdings:** Where the lawsuit involves a security considered a core holding in our clients' accounts, we will typically be made aware of the litigation and/or proposed settlement offer through a client or an employee. In those instances, we will review the financial aspects of the litigation including all documentation and determine the course of action we believe is in our clients' best interest. This review will be conducted by a principal of PLF. Typically, we consider the best course of action to be accepting the settlement offer and filing a claim in accordance with the claims procedures contained in the settlement offer. In the event a decision is made not to submit a claim or it is determined that the client is not eligible to submit a claim, the client will be notified of that decision. Otherwise, unless a client specifically instructs us not to do so, we will file these claims on our clients' behalf. While the process for filing claims varies, the filing is most often done online with supplemental hard copy filings necessary to complete the filing process on behalf of all affected clients.

**Non-Core Holdings:** Where the lawsuit involves a security not considered a core holding in our clients' accounts, we will typically be made aware of the litigation and/or proposed settlement offer only through a client. In these instances, we will, depending upon the client's request, either provide information to the client for use by the client in filing a claim directly or we will review and file the claim on the client's behalf with the client's authorization.

If we receive notification that your claim has been rejected, we will review it and take curative action to the extent it may be reasonably done.

We will maintain documentation of all filings made by us on behalf of clients and make it available for review by our clients upon reasonable request.

Settlement checks are typically forwarded directly to the client by claims administrators but, on occasion, the settlement check may be forwarded to PLF. In those instances, we will forward the check directly to the client's qualified custodian or to the client's last known address where the client's account with PLF has been closed, within five (5) business days of receipt by PLF.

It is important for you to understand that because we do not typically receive notification of class action litigation or proposed settlements, it is imperative that you contact us upon receiving notifications of any such actions. Please feel free to contact us at any time with any questions you may have on class actions or the status of particular proceedings.

#### **FINANCIAL INFORMATION**

This section does not apply to Pineno Levin & Ford Asset Management, Inc. as we have never filed for bankruptcy nor are we subject to any financial conditions that could impair our ability to meet our obligations to you. PLF does not solicit or collect fees six months or more in advance.

ANY QUESTIONS: PLF's Chief Compliance Officer, Jeffrey D. Levin, remains available to address any questions regarding this Part 2A.