



**Item 1 – Cover Page**

**Fogel Capital Management, Inc.**

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**Stuart, FL 34994**

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**[www.fogelcapital.com](http://www.fogelcapital.com)**

**March 31, 2017**

Form ADV, Part 2; our “Disclosure Brochure” or “Brochure” as required by the United States Securities and Exchange Commission is a very important document between Clients (you, your) and Fogel Capital Management, Inc. (FCM, Applicant, us, we, our). FCM’s IARD firm number is 108212.

This Brochure provides information about our qualifications and business practices. If you have any questions about the contents of this brochure, please contact us at (772) 223-9686. 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.

We are a registered investment adviser with the United States Securities and Exchange Commission. Our registration as an Investment Adviser does not imply any level of skill or training. Additional information about FCM also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (click on the link, select “investment adviser firm” and type in our firm name). Results will provide you with both Parts 1 and 2 of our Form ADV.

## Item 2 – Material Changes

There have been no material changes to report since the last filing of our Form ADV Part 2 or “Disclosure Brochure” dated MARCH 2016. This document was developed in response to new requirements adopted and imposed by the United States Securities and Exchange Commission.

1. In future filings, this section of the Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).
2. We may, at any time, update this Brochure and send a copy to you an updated copy including a summary of material changes, or a summary of material changes that includes an offer to send you a copy (either by electronic means (email) or in hard copy form).
3. If you would like another copy of this Brochure, please download it from the SEC website as indicated above or you may contact our Chief Compliance Officer, Charlene Fogel, at (772) 223-9686.

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## **Item 4 – Advisory Business**

Fogel Capital Management, Inc. (hereinafter "FCM", Applicant, we, our, us) is a corporation that was organized on April 5, 1995, under the laws of the State of Florida. The principal owners of FCM are Charlene Fogel and Michael F. Fogel. As of December 31, 2014, FCM had 257 clients and \$289 million of discretionary assets under management.

We offer investment advisory services to individuals, pension and profit sharing plans, charitable organizations, corporations, and non-profit organizations. This Disclosure Brochure provides you with information regarding our qualifications, business practices, and the nature of advisory services that should be considered before becoming our advisory client.

Please contact Charlene Fogel, Chief Compliance Officer, if you have any questions about this Brochure.

Individuals associated with us will provide our investment advisory services. These individuals are appropriately licensed and qualified to provide advisory services on our behalf. Such individuals are known as Investment Advisor Representatives (IARs).

Below is a description of the investment advisory and financial planning services we offer. For more detail on any product or service please reference the advisory agreement or speak with your IAR.

## **ADVISORY SERVICES**

FCM provides investment portfolio management services to individuals and institutions predominately on a discretionary basis. FCM utilizes a designated brokerage firm through which client orders are executed. We are granted Power of Attorney to make investment decisions for clients. FCM may manage client accounts on a non-discretionary basis at client's request. FCM assists clients in determining their investment objectives and needs, and each account is managed in accordance with those objectives and needs. In analyzing each client's objectives, FCM considers where applicable, the client's overall financial condition, income and tax status, personal and business assets, insurance, risk profile and other factors unique to each client's particular circumstances. An analysis of an institutional client might include a review of legal documents, portfolio size, expected inflow and outflow of funds, and, in the case of employee benefit accounts, the type of plan, plan provision, number of participants and age distribution.

Fogel Management Group, LLC ("Fogel LLC"), a related person of FCM, may recommend the Falcon Performance Fund, LP ("Fund") to certain accredited investors, based on a speculative investment objective only. Fogel LLC serves as the portfolio manager to the Fund. All applicable fees and conflicts are fully disclosed in the Fund's offering materials provided to prospective investors. See also Item 10 below.

A conflict of interest exists between the interests of FCM (and/or a related person) and the interests of the Fund investors, (1) clients are under no obligation to act upon such related person's recommendation regarding the Fund, and (2) if the client elects to act on any of the recommendations, the client shall receive the offering documents of the Fund, prior to the investment. The Fund is not deemed to be a client of the Applicant. Clients whose uninvested cash balances are swept into money market funds or which are invested in mutual funds (or hedge funds) shall, in effect, be paying multiple advisory fees. For example, clients may be paying a management fee on the portion of their assets that are invested in the money market funds/mutual funds to the fund's investment adviser plus a quarterly fee on the market value of assets under FCM's management which includes the assets invested in the money market funds/mutual funds. Clients are encouraged to review carefully any relevant prospectus and/or offering document associated with FCM's investment recommendations.

## Item 5 – Fees and Compensation

Pursuant to the advisory contract, annual advisory fees are based on assets under management, paid generally quarterly in advance; however, accounts may be set up which are billed monthly. The fees for asset management are based on the following schedule, keyed to the value of the assets in the client's account:

### **BALANCED PORTFOLIOS**

1.25% of the first \$3,000,000  
1.00% of the next \$2,000,000  
0.75% of the balance

### **BOND PORTFOLIOS**

1.25% of the first \$3,000,000  
1.00% of the next \$2,000,000  
0.75% of the balance

The first payment is due upon execution of the client agreement and will be assessed on a pro rata basis. Fees and other circumstances may be negotiable and will be discussed prior to initiating the advisory service and will be stipulated in a written contract. Subsequent quarterly payments are due and will be assessed on the first day of each calendar quarter based on the sum of the market (net asset) value of all account funds under management. This value is calculated as of the close of business on the last business day of the preceding quarter. Should assets be deposited after the inception of a quarter, the fee will be prorated based on the number of days the assets were held in the account during the quarter.

For valuation purposes, the assets will be treated as if they were held in the account as of the end of the quarter. A brokerage account for the client is established at a designated brokerage firm. The client shall grant limited authorization to FCM to withdraw the contractually agreed upon fees from the account. FCM will notify the client in writing of the date of withdrawal, the amount of withdrawal, and the specific manner and basis on which the fee is calculated. Clients may terminate their contracts with FCM upon thirty days written notice. Should the contract be terminated prior to end of the quarter, the fee will be returned to the client on a prorated basis.

FCM provides applicable disclosure brochure(s) or Form ADV Part 2 to clients and prospective clients more than 48 hours prior to entering into an advisory contract. In the event the disclosure brochure is not delivered until entry into the contract, the client may terminate the contract without penalty within five business days after entering into the contract.

All applicable fees and conflicts related to the Fund are fully disclosed in the Fund's offering materials provided to prospective investors. See also Item 10 below.

## **General Account Characteristics**

All clients retain FCM by entering into a written agreement for services, which contains a more complete discussion and disclosure regarding the account's services or fee structure.

Generally, fees for asset management services are based on a percentage of the market value of assets under management including cash. Fees paid to us for investment advisory services are separate and distinct from the fees and expenses charged by third parties. The advisory fee does not cover charges imposed by third parties related to investments held in the account, such as brokerage expenses including commissions and transaction charges, contingent deferred sales charges or 12b-1 trails on mutual funds. In addition, each mutual fund or third party money manager charges asset management fees, which are in addition to the advisory fees charged by FCM. The fees charged by such funds or managers are disclosed in each fund's prospectus.

The advisory fee also does not cover debit balances or related margin interest or SEC fees or other fees or taxes required by law.

You could invest in a mutual fund directly, without our services. In that case, you would not receive the services provided by us which are designed, among other things, to assist in determining which mutual fund or funds are most appropriate for your financial condition, goals, and objectives. Accordingly, you should review both the fees charged by the funds and the fees charged by us to fully understand the total amount of fees to be paid and to thereby evaluate the advisory services being provided.

Advisory recommendations are based on your financial situation at the time the services are provided and are based on financial information disclosed by you. We incorporate information about trends and performance of securities, the market and the economy into our recommendations, which are designed toward meeting your specific goals, objectives, and needs. Therefore, as your financial information and situation change, you must notify us promptly.

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

We do not charge performance based fees or participate in side-by-side management. Side by side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our compensation structure is disclosed in detail in Item 5 above.



## **Item 7 – Types of Clients**

We offer investment advisory services to individuals, pension and profit sharing plans, charitable organizations, corporations, and non-profit organizations.

Generally, we do not impose a minimum account value required to open and maintain an advisory account. FCM retains the right to impose such a minimum at our discretion.

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

Our investment strategies may include long term and short-term buy and hold, short sales, margin transactions, and option strategies. Our IARs may trade option contracts or on margin for client's accounts, which could result in a high portfolio turnover ratio. Additionally, the use of margin may also result in interest charges as well as all other fees and expenses associated with the security or account involved.

Each portfolio will be initially designed to meet particular investment goals and objectives taking into account the client's financial situation, circumstances, and risk tolerance. You have the opportunity to place reasonable restrictions or constraints on the way your account is managed; however, such restrictions may affect the composition and performance of your portfolio. For these reasons, performance of the portfolio may not be identical with our average client.

Our main sources of information on which we base investment advice includes financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses and filings with the Securities and Exchange Commission. We may also utilize computer systems to analyze securities.

In determining the investment advice to give to you, we may utilize charting to determine trends and project future values and analyze cyclical fluctuations over time. In a fundamental analysis, we analyze the financial statements and health of a business, its management and competitive advantages, and its competitors and markets but usually focusing on growth or value (or sometimes a combination of both) to determine if such security meets the clients' needs and objectives. We will take into consideration when making investment decisions the stages of the business during a given point in time. We may also perform a security analysis discipline, known as a technical analysis, in forecasting the direction of prices through the study of past market data, primarily price and volume.

There are inherent risks involved for each investment strategy or method of analysis we use and the particular type of security we recommend. Investing in securities involves risk of loss which you should be prepared to bear.

## **Item 9 – Disciplinary Information**

We do not have any legal, financial or other “disciplinary” item to report. We are obligated to disclose any disciplinary event that would be material to you when evaluating us to initiate a Client / Adviser relationship, or to continue a Client /Adviser relationship with us.

## Item 10 – Other Financial Industry Activities and Affiliations

Neither FCM nor any of our management persons are registered, or have an application pending to register as a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor or an associated person (or registered representative) of the foregoing entities. However, Falcon Performance Fund, LP is registered commodity pool operator in which Fogel Management Group, LLC is the General Partner.

In addition, neither FCM nor any of our management persons have any relationship or arrangement that is material to our advisory business or to our clients that we or any of our management persons have with any related person, except as noted below, that is, under common control and ownership, a:

- Broker-dealer, municipal securities dealer, or government securities dealer or broker,
- Investment company or other pooled investment vehicle,
- Other investment adviser or financial planner,
- Futures commission merchant (or commodity trading advisor),
- Banking or thrift institution,
- Accountant or accounting firm,
- Lawyer or law firm,
- Insurance company or agency,
- Pension consultant,
- Real estate broker or dealer or
- Real estate broker or dealer.
- NFL Players Association

Fogel Management Group, LLC, a related person of FCM, is a registered commodity pool operator and serves as the portfolio manager to the Fund, an exempt privately offered limited partnership. Michael F. Fogel, President and Chief Financial Officer of

FCM, also is President of Fogel Management Group, LLC. The Fund interests are only offered to accredited investors and are managed by Fogel Management Group, LLC. The Fund may also invest in the same securities as FCM may recommend to clients, consistent with FCM's Code of Ethics, as described in Item 11 below. Fees received by Fogel Management Group, LLC are separate and distinct from the advisory fees received by FCM.

Fogel Management Group, LLC and individuals associated with FCM, in their separate capacities as a commodity pool operator and associated persons of Fogel Management Group, LLC, will be able to effect commodity transactions for which they will receive separate, yet customary compensation.

Advisory clients may invest in the Fund. Advisory clients, however, are not under any obligation to invest in the Fund when considering implementation of FCM's advisory recommendations. While these individuals endeavor at all times to put the interest of the clients first as part of FCM's fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest and an incentive for such individuals to make recommendations based on this potential for additional compensation. This conflict and incentive may affect the judgment of these individuals when making recommendations.

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

The Advisers Act imposes a fiduciary duty on investment advisers. As a fiduciary, FCM has a duty to act with utmost good faith and in the best interests of each of our clients. Our clients entrust us with their funds, which in turn places a high standard on our conduct and integrity. Our fiduciary duty compels all employees to act with the utmost integrity in all of our dealings. This fiduciary duty is the core principle underlying this Code of Ethics and Personal Trading Policy, and represents the expected basis of all of our dealings with our clients.

FCM has in place Ethics Rules (the “Rules”), which are comprised of the Code of Ethics and Insider Trading policies and procedures. The Rules are designed to ensure that FCM’s personnel (i) observe applicable legal (including compliance with applicable state and federal securities laws) and ethical standards in the performance of their duties; (ii) at all times place the interests of FCM’s clients first; (iii) disclose all actual or potential conflicts; (iv) adhere to the highest standards of loyalty, candor and care in all matters relating to its clients; (v) conduct all personal trading consistent with the Rules and in such a manner as to avoid any actual or potential conflict of interest or any abuse of their position of trust and responsibility; and (vi) not use any material non-public information in securities trading. The Rules also establish policies regarding other matters such as outside employment, the giving or receiving of gifts, and safeguarding portfolio holdings information.

Under the general prohibitions of the Code, FCM’s personnel may not: 1) effect securities transactions while in the possession of material, non-public information; 2) disclose such information to others; 3) participate in fraudulent conduct involving securities held or to be acquired by any client; and 4) engage in frequent trading activities that create or may create a conflict of interest, limit their ability to perform their job duties, or violate any provision of the Rules.

Associated persons of FCM may recommend to clients the purchase or sale of investment products in which it or a related person entity may have some financial interest, including but not limited to, the receipt of compensation. Records will be maintained of all securities bought and sold by associated persons or related entities.

FCM recognizes that the personal securities transactions of its employees demand the application of a high code of ethics, and the Applicant requires that all such transactions be carried out in a way that does not endanger the interest of any client. At the same

time, FCM believes that if investment goals are similar for clients and for employees of FCM, it is logical and even desirable that there be common ownership of some securities. Therefore, in order to address conflicts of interest, FCM has adopted a set of procedures, included in its code of ethics (the "Code"), with respect to transactions effected by its officers, directors and employees (hereafter, "Employees") for their personal accounts. In order to monitor compliance with its personal trading policy, the Applicant has adopted a quarterly securities transaction reporting system for all of its Employees and at that time will be delivered to FCM's Chief Compliance Officer. For purposes of the policy, an Employee's "personal account" generally includes any account (a) in the name of the Employee, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which the Employee is a trustee or executor, or (c) which the Employee controls, including the Applicant's client accounts which the Employee controls and in which the Employee or a member of his/her household has a direct or indirect beneficial interest.

The Code sets forth FCM's policies and procedures with respect to material, nonpublic information and other confidential information, and the fiduciary duties that FCM and each of its Employees has to each of its clients. The Code is circulated at least annually to all Employees, and each Employee, at least annually must certify in writing that he or she has received and followed the Code and any amendments thereto. FCM will provide a copy of the Code to any client or prospective client upon request.

### **Notice of Privacy Policy & Practices**

At FCM we recognize and respect the privacy of our customers.<sup>1</sup> New technologies have dramatically changed the way information is gathered, used and stored, but the importance of preserving the security and confidentiality of customer information has remained a core value of the financial services industry. We provide this notice to you so that you will know what kinds of information we collect and the circumstances in which that information may be disclosed to third parties who are not affiliated with FCM.

### **Collection of Customer Information**

We collect nonpublic personal information about our customers from the following sources:

- *Account Applications and other forms*, which may include a customer's name, address, social security number, and information about a customer's investment goals and risk tolerance;

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<sup>1</sup> For purposes of this notice, the terms "customer" or "customers" includes both individuals who acquire products or services from FCM and individuals who provide nonpublic personal information to, but do not acquire products or services from, FCM.

- *Account History*, for example, copies of confirmations or statements or other information about investment transactions or the balances in a customer's account which we receive from a customer's custodian or broker;
- *Third Parties*, for example information we might receive from a customer's lawyer or accountant.

#### Disclosure of Customer Information

We may disclose any of the customer information we collect to third parties who are not affiliated with FCM:

- *As Authorized* - if you request or authorize the disclosure of the information.
- *As Permitted by Law* - for example, to service providers who provide investment products or services to you, in connection with a regulatory audit or examination, or to respond to a subpoena or similar legal process.

#### Security of Customer Information

FCM maintains policies and procedures designed to assure only appropriate access to, and use of customer information and physical, electronic and procedural safeguards to protect nonpublic personal information of FCM's customers.

We will adhere to the policies and practices described in this notice regardless of whether you are a current or former customer of FCM.

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#### **Business Continuity Plan**

FCM's policy is to respond to a significant business disruption by safeguarding employees' lives and Applicant's property, making financial and operational assessment, quickly recovering and resuming operations, protecting all of our books and records, and allowing clients to transact business. In the event that we are unable to continue our business, clients will be given prompt access to their funds and securities. A detailed Business Continuity Plan will be made available to clients upon request.



## Item 12 – Brokerage Practices

For its managed accounts, FCM will generally seek "best execution" in light of the circumstances involved in transactions. In selecting a broker for any transaction, FCM may consider a number of factors, including, for example, net price, reputation, financial strength and stability, efficiency of execution and error resolution, the size of the transaction and the market for the security. FCM will not obligate itself to obtain the lowest commission or best net price for an account on any particular transaction.

In addition to execution quality, FCM may consider the value of various research services or products, beyond execution, that a broker-dealer provides to the adviser or its clients. Selecting a broker-dealer in recognition of such other services or products is known as paying for those services or products with "soft dollars." FCM may have soft dollar arrangements. We will make decisions involving "soft dollars" in a manner that satisfies the requirements of the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended. That is, we will generally determine, considering all appropriate factors (including those described here), that commissions paid are reasonable in relation to the value of all the brokerage and research products and services provided by the broker-dealer. In making that determination, we may consider not only the particular transaction, and not only the value of brokerage and research services and products to a particular client, but also the value of those services in the Applicant's performance of its overall responsibilities to all of its clients. In some cases, the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge.

Additionally, in some cases, a client's transaction may be executed by a broker in recognition of services or products that are not used in managing that client's account. The Applicant will allocate the cost of the product or service between its research and non-research uses and will pay only the "research" portion with soft dollars. Adviser's interest in making such an allocation may differ from clients' interests in that FCM has an incentive to designate as great a portion of the cost as "research" as possible in order to permit payment with soft dollars.

When a broker-dealer provides research or other products or services in expectation of brokerage business, it generally suggests the level of business it would like to receive as compensation. In making its brokerage selections, FCM considers those suggestions as part of its evaluation of the factors described above. Actual transactional business received by a particular broker or dealer during any period may

be less than the suggested level, but may - and the Applicant expects that it often will - exceed that level. This may be in part because the total brokerage business generated by clients may exceed the aggregate amounts requested by all brokers and dealers from which FCM receives services and products, and in part because the brokers and dealers that provide such services and products may also provide superior execution and may therefore be the most appropriate broker-dealers for particular transactions regardless of whether or not they provided such services or products. In other cases, a broker or dealer may establish "credits" based on brokerage commissions paid in the past, which may be used to pay, or reimburse FCM, for specified expenses.

Brokers and dealers will not be excluded from consideration of receiving brokerage business simply because they have not provided research or other services or products, although FCM may not be willing to pay the same commission to such broker as we might have been willing to pay had the broker provided research products and services.

FCM monitors transaction results as orders are executed to evaluate the quality of execution provided by the various brokers and dealers it uses, to determine that compensation rates are competitive and otherwise to evaluate the reasonableness of the compensation paid to those brokers and dealers in light of all the factors described above.

FCM may recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, Member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. FCM is independently owned and operated and not affiliated with Schwab. Schwab provides FCM with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab Institutional, and are not otherwise contingent upon Advisor committing to Schwab any specific amount of business (assets in custody or trading). Schwab's services include brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For FCM's client accounts maintained in its custody, Schwab generally does not charge separately for custody but is compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to FCM other products and services that benefit FCM but may not benefit its clients' accounts. Some of these other products and services assist FCM in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of FCM's fees from its clients' accounts, and assist with back-office functions, recordkeeping and client reporting. Soft dollars are used to pay for some of these products. Many of these services generally may be used to service all or a substantial number of FCM's accounts, including accounts not maintained at Schwab Institutional. Schwab Institutional also makes available to FCM other services intended to help FCM manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, Schwab may make available, arrange and/or pay for these types of services rendered to FCM by independent third parties. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to FCM. While as a fiduciary, FCM endeavors to act in its clients' best interests, FCM's recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefit to FCM of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

**Aggregation of Orders.** FCM may perform investment management services for various clients. If so, there will be occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by FCM, some of which accounts may have similar investment objectives. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to anyone or more particular accounts, they will be effected only when FCM believes that to do so will be in the best interest of the affected accounts. When such concurrent authorizations occur, the objective will be to allocate the executions in a manner that is deemed equitable to the accounts involved. The Applicant may make such allocations among the accounts in any manner which it considers to be fair under the circumstances, including, but not limited to, allocations based on relative account sizes, the degree of risk involved in the investments acquired, and the extent to which such investments are consistent with the investment policies and strategies of the various accounts involved.

**Brokerage Direction.** In some instances, because of a prior relationship between a client and one or more brokers, or for other reasons, a client may instruct FCM to execute some or all securities transactions for its account with or through one or more brokers designated by the client. In such cases, the client is responsible for negotiating the terms and conditions (including, but not limited to, commission rates) relating to all services to be provided by such brokers and the client is satisfied with such terms and conditions. FCM will assume no responsibility for obtaining the best prices or any particular commission rates for transactions with or through any such broker for such client's account.

The client must recognize that it may not obtain rates as low as it might otherwise obtain if FCM had discretion to select broker/dealers other than those chosen by the client. Also, FCM may not be able to include such client directed accounts when aggregating trade orders. Any client providing instructions to the Applicant regarding direction of brokerage transactions must notify the Applicant in writing if the client desires the Applicant to cease executing transactions with or through any such broker/dealer.

**Principal Transactions.** In Charles Schwab & Co.'s capacity as a broker-dealer, personnel of FCM provide clients with a variety of services for which it is compensated. On a very limited basis, FCM may act as a principal in transactions with certain advisory clients, buying securities for itself from, or selling securities it owns to a client. As such, Applicant may execute principal transactions with its advisory clients. FCM may buy or sell securities for investment advisory accounts in principal transactions with other clients only if appropriate client consents are obtained and required disclosure is made, as required by the Investment Adviser Act of 1940

**Trade Error Policy.** The Applicant has internal controls in place to prevent trade errors from occurring. On those occasions when such an error nonetheless occurs, FCM will use reasonable efforts to correct the error. FCM will endeavor to maintain a record of each trade error, including information about the trade and how such error was corrected or attempted to be corrected.

## **Item 13 – Review of Accounts**

Accounts are reviewed on an ongoing basis by the Chief Compliance Officer of FCM. An account may be reviewed immediately to the extent that the account could be affected by information concerning economic or market conditions, individual companies or industries. There is no minimum number of accounts assigned for the reviewer. Reviews of investment accounts typically look at portfolio consistency with regard to client's risk tolerance, investment time horizon, performance objectives, and asset allocation instructions.

Charles Schwab & Co., Inc. provides monthly and quarterly statements to clients.

You are encouraged to review all reports received from FCM and compare them against reports received from the independent custodian that services your advisory account. You should immediately inform us of any discrepancy noted between the custodian records and the reports you receive from us.

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

We do not have any arrangement under which we, or a related person, directly or indirectly compensate any person, who is not our supervised person, or receive compensation from another for client referrals. Additionally, we do not receive an economic benefit from a non-client for providing investment advice or other advisory services to our clients. However, see Item 10 for information and disclosure regarding other compensation FCM may receive from affiliates.

FCM endeavors at all times to put the interest of its clients first as part of its fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of FCM and its associated persons when making recommendations.

## **Item 15 – Custody**

We do not have custody of client funds or securities; however, we may be granted authority, upon written consent from you, to deduct the advisory fees directly from your account. The custodian will send to you, at least quarterly, an account statement identifying the amount of funds and each security in the account at the end of period and setting forth all transactions in the account during that period including the amount of advisory fees paid directly to us.

Under government regulations, we are deemed to have custody of your assets if you authorize us to instruct Schwab to deduct our advisory fees directly from your account. Schwab maintains actual custody of your assets. You will receive account statements directly from Schwab at least quarterly. They will be sent to the email or postal mailing address you provided to Schwab. You should carefully review those statements promptly when you receive them.

## **Item 16 – Investment Discretion**

In general, FCM effects individual securities transactions in client accounts as part of its advisory services. The Applicant (and/or other money managers selected by FCM) generally has the authority to determine, without obtaining specific client consent, any of the following: the securities to be bought or sold; the amount of securities to be bought or sold; the broker-or dealer to be used or the commission rate paid. FCM may also have discretionary authority to make the following determinations without obtaining the consent of the client before the transactions are effected and will have discretionary authority to make the following determinations without obtaining the consent of the client.

With respect to managed accounts, the Applicant's authority may be subject to conditions imposed by the client, examples of which may include: (1) where the client restricts or prohibits transactions in securities of a specific industry, and/or (2) the client directs that transactions be effected through specific brokers and dealers. The latter restriction may be conditioned by the client on the broker or dealer being competitive as to price and execution for each transaction, or offering a specified level of commission discount or may be subject to varying degrees of restrictions such as an instruction to utilize the broker or dealer: (a) whether or not competitive, and (b) where the specified levels of commission discounts are less favorable than might otherwise be obtained by FCM.



## Item 17 – Voting Client Securities (i.e., Proxy Voting)

It is the policy of FCM to vote all proxies relating to client securities unless there is a compelling reason why a proxy should not be voted. Proxies are voted in the best interests of the clients as determined by the effect, if any, the proposal could have on the current or future value of the investment. To ensure that proxies will be voted in the best interest of the clients and to avoid material conflicts between FCM and its clients, the responsibility for voting proxies has been delegated to an unaffiliated service provider. The unaffiliated provider reviews each proxy and votes each proxy in accordance with FCM's Proxy Voting Guidelines.

We recognize the possibility that a proxy may present an issue not addressed by the Proxy Voting Guidelines or that extraordinary circumstance may indicate that a proxy should be voted contrary to the Proxy Voting Guidelines. In no event, however, will the voting of a proxy be influenced by a conflict of interest between FCM and its clients.

A copy of FCM's Proxy voting policy, procedures, guidelines, and how we voted are available to clients who request this information from our Chief Compliance Officer, Charlene Fogel, at (772) 223-9686.

### Notice of Privacy Policy & Practices

At FCM we recognize and respect the privacy of our customers.<sup>1</sup> New technologies have dramatically changed the way information is gathered, used and stored, but the importance of preserving the security and confidentiality of customer information has remained a core value of the financial services industry. We provide this notice to you so that you will know what kinds of information we collect and the circumstances in which that information may be disclosed to third parties who are not affiliated with FCM.

#### Collection of Customer Information

We collect nonpublic personal information about our customers from the following sources:

- *Account Applications and other forms*, which may include a customer's name, address, social security number, and information about a customer's investment goals and risk tolerance;
- *Account History*, for example, copies of confirmations or statements or other information about investment transactions or the balances in a customer's account which we receive from a customer's custodian or broker;
- *Third Parties*, for example information we might receive from a customer's lawyer or accountant.

### Disclosure of Customer Information

We may disclose any of the customer information we collect to third parties who are not affiliated with FCM:

- *As Authorized* - if you request or authorize the disclosure of the information.
- *As Permitted by Law* - for example, to service providers who provide investment products or services to you, in connection with a regulatory audit or examination, or to respond to a subpoena or similar legal process.

### Security of Customer Information

Fogel maintains policies and procedures designed to assure only appropriate access to, and use of customer information and physical, electronic and procedural safeguards to protect nonpublic personal information of Fogel customers.

We will adhere to the policies and practices described in this notice regardless of whether you are a current or former customer of FCM.

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<sup>1</sup> For purposes of this notice, the terms "customer" or "customers" includes both individuals who acquire products or services from FCM and individuals who provide nonpublic personal information to, but do not acquire products or services from FCM.

### Business Continuity Plan:

The Applicant's policy is to respond to a significant business disruption by safeguarding employees' lives and Applicant's property, making financial and operational assessment, quickly recovering and resuming operations, protecting all of Applicant's books and records, and allowing clients to transact business. In the event that Applicant is unable to continue its business, clients will be given prompt access to their funds and securities. A detailed Business Continuity Plan will be made available to clients upon request.

## **Item 18 – Financial Information**

We have no financial condition that is reasonably likely to impair our ability to meet contractual commitments to you given that we do not have custody of client funds or securities. In addition, we are not currently, nor at any time in the past ten years been, subject of a bankruptcy petition.

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

FCM is an SEC-registered investment adviser so this section is not applicable.