

**C. G. Hughes Company, LLC  
Twenty-One Maple Avenue  
Bay Shore, New York 11706**

**Phone: 631-665-7881  
Fax: 631-665-7894**

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**FORM ADV PART 2A.  
BROCHURE**

**This brochure provides information about the qualifications and business practices of C. G. Hughes Company, LLC. If you have any questions about the contents of this brochure, please contact us at 631-665-7881. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about C. G. Hughes Company, LCC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for C. G. Hughes Company, LLC is 109357.**

**C. G. Hughes Company, LLC is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.**

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## *Advisory Business*

Form ADV Part 2A, Item 4

The U.S. Securities and Exchange Commission granted C. G. Hughes Company, LLC's registration on April 30, 1999. Charles Gerard Hughes (CRD Number 252477) is President and Chief Compliance Officer of the firm. Mr. Hughes is 50 (50%) percent equity owner of the firm and Catherine Atkins Hughes (CRD Number 1109430) is 50 (50%) percent equity owner as well. The firm is not publicly owned or traded. There are no indirect owners of the firm or intermediaries who have any ownership interest in the firm. The firm manages each client's portfolio on an individualized basis. Clients may impose restrictions on their accounts. The firm does not participate in wrap programs. As of December 31, 2016, the firm managed assets on a nondiscretionary basis in the amount of \$74,954,527.

. In most cases, clients begin a relationship with C G. Hughes Company seeking financial planning advice and often implement the advice at their discretion by establishing an IFM account. In that event, we provide the client with ongoing financial planning advice at no additional charge.

The exception to this process is when matters unrelated to their original plan, such as, a sale of a business, a divorce or a death. That advice would be charged at our current hourly rate of \$300.00. For clients who did not seek financial planning at the outset but have a need for financial planning advice subsequent to establishing an IFM relationship, that advice will be provided at the current hourly rate of \$300.00.

The fees payable to the Adviser are as follows:

1. 1.00% 0 - \$1,000,000
2. 0.85% \$1,000,000 - \$2,500,000
3. 0.80% \$2,500,001 - \$5,000,000
4. 0.75% \$5,000,001 - \$7,500,000
5. 0.65% \$7,500,001 - \$10,000,000
6. Above \$10 million, Negotiated.

Minimum size account is \$500,000. Minimum fee is \$5,000. Fee is debited from client accounts, except if otherwise agreed. New clients pay one quarter's fee in advance. From that point forward fees are billed quarterly in advance. All unearned or unapplied fees shall be refunded at once. If the adviser receives any compensation, such as, service fees, on behalf of the client, client receives a full credit toward the client fee. Clients who receive advice about mutual funds are always advised that there are two levels of fees, that is, a fee payable to the fund manager and a fee payable to the adviser.

The Adviser offers an alternative account to the Investment and Financial Management Account described as the Investment Advisory Account. The account is suited for clients whose portfolios are below the level to qualify for an Investment and Financial Management Account and/or the account does not require the level of supervision of an Investment and Financial Management Account. The IAA provides advice and the following services: investment details in the portfolio management system, including cost basis, preparation of required IRA distributions, semi-annual client statements, semi-annual reviews, annual portfolio review with personal or telephonic consult. The fee for service is a fixed fee for accounts within a range of values as follows:

Account Size	Fee per Annum
\$0 - \$100,000	\$250.00
\$100,001 - \$250,000	\$625.00
\$250,001 - \$500,000	\$1,250.00
\$500,001+	Negotiated

Adviser provides observations, recommendations and financial planning advice on other financial matters not involving investments but including: cash management, personal income and estate tax planning, long range capital and income needs, including education, retirement, disability and estate planning, capital income risk management involving life, disability, health, general casualty and liability insurance protection and certain business planning matters, including cash management, benefits and retirement planning.

The type of written report delivered to the client and the corresponding fee for these services depends on the nature and complexity of the financial matters addressed. If the issues are few in number and straightforward, the adviser will recommend its Personal Financial Counseling services, which include a Written Summary of Advice. The fee is based on the current hourly rate of \$300.00. A retainer of fifty (50%) percent of the total estimated fee, as quoted, is due prior to beginning work with the balance due upon completion of the plan and presentation of the plan to the client.

A Financial Planning Report will generally include a greater number of issues, concerns and objectives addressed on behalf of the client than found in the Financial Counseling Report. Both engagements conclude at the presentation of the Report which engagement can be extended at the discretion of the client. The deposit and fee arrangement is the same. A Comprehensive Financial Planning Report is the broadest in scope and complexity and is suited to clients with significant wealth and extensive financial management issues, concerns and goals. The minimum fee is \$5,000 and includes a twelve-month engagement. Any financial planning engagement can be established on a retainer basis in lieu of an hourly rate for a minimum duration of six months and a minimum fee of \$2,500.

### ***Fees and Compensation***

Form ADV Part 2A, Item 5

The adviser is compensated exclusively by the client in the form of hourly fees or asset management fees. The adviser receives no compensation from third parties.

### ***Performance-Based Fees and Side-By-Side Management***

Form ADV Part 2A, Item 6

The adviser does not apply any performance based fees or other schedule of fees not previously stated.

### ***Types of Clients***

Form ADV Part 2A, Item 7

Clients will be individuals, retirement plans, trusts, estates, charitable organizations, corporations and other business entities.

There is no minimum account size, net worth or income requirements for financial planning advice.

The minimum account size for the Investment and Financial Management Account is \$500,000. The minimum fee is \$5,000. The adviser may make exceptions to the minimum account size and fee.

### ***Methods of Analysis, Investment Strategies and Risk of Loss***

Form ADV Part 2A, Item 8

A client completes an Investor Profile Questionnaire which assists the adviser in preparing an asset allocation strategy, including investment goals, investment expectations, tolerance levels of risk. The adviser then uses fundamental, technical and cyclical analysis from various sources to determine an appropriate asset allocation balance for each client after which specific investment selections are made using open-end and closed-end mutual funds, as well as Exchange Traded Funds. Depending on the account size, individual fixed income investments may be included in the client's portfolio. Various types of cash and equivalents, such as, CDs may be incorporated into the portfolio. In certain circumstances, an annuity contract may be recommended. If individual common stocks are appropriate, desired or already owned by the client, the adviser will recommend a private account manager who will have responsibility for managing these securities. The adviser will routinely monitor that component of the portfolio.

### ***Disciplinary Information***

Form ADV Part 2A, Item 9

There have never been any disciplinary actions taken against the adviser.

### ***Other Financial Industry Activities and Affiliations***

Form ADV Part 2A, Item 10

The adviser has no affiliation with a bank, insurance company, mutual fund company, broker-dealer or other investment adviser.

The Adviser may refer clients who own or wish to own individual securities, if appropriate, to M&R Capital Management. The Adviser has negotiated a fee of .50% with this manager. The Adviser receives no compensation from the manager.

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

Form ADV Part 2A, Item 11

The firm has adopted a written Code of Ethics in compliance with SEC rule 204A-1. The code sets forth standards of conduct and required compliance with federal securities laws. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

This statement has been distributed to all associated persons and other employees of Applicant and has been signed and dated by each such person. A copy of such firm wide policy is left with such person and the original is maintained in a master file. Further, Applicant has adopted a written supervisory procedures statement highlighting the steps which shall be taken to implement the firm wide policy. These materials are also distributed to all associated persons and other employees of Applicant, are signed, dated and filed with the insider trading compliance materials. There are provisions adopted for (1) restricting access to files, (2) providing continuing education, (3) restricting and/or monitoring trading on those securities of which Applicant's employees may have non public information, (4) requiring all of Applicant's employees to conduct their trading through a specified broker or reporting all transactions promptly to Applicant, and (5) monitoring the securities trading of the firm and its employees and associated persons.

Applicant or individuals associated with Applicant may buy or sell securities identical to those recommended to customers for their personal account.

It is the express policy of Applicant that no person employed by Applicant may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, and therefore, preventing such employees from benefiting from transactions placed on behalf of advisory accounts.

Applicant or any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

As these situations may represent a conflict of interest, Applicant has established the following restrictions in order to ensure its fiduciary responsibilities:

(1) A director, officer or employee of Applicant shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No person of Applicant shall prefer his or her own interest to that of the advisory client.

(2) Applicant maintains a list of all securities holdings for itself, and anyone associated with this advisory practice. These holdings are reviewed on a regular basis by Charles G. Hughes, Jr.

(3) Applicant requires that all individuals must act in accordance with all applicable federal and state regulations governing registered investment advisory practices.

(4) Any individual not in observance of the above may be subject to termination.

### ***Brokerage Practices***

Form ADV Part 2A, Item 12

Applicant participates in Charles Schwab & Co.'s, Schwab Institutional (SI) service program. While there is no direct linkage between the investment advice given and participation in the SI program, economic benefits are received which would not be received if applicant did not give investment advice to clients. These benefits include: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk serving SI participants exclusively; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; ability to have investment advisory fees deducted directly from client account; access, for a fee, to an electronic communication network for client order entry and account information; receipt of compliance publications; and access to mutual funds which generally require significantly higher minimum initial investments or are generally available only to institutional investors. The benefits received through participation in the SI program do not depend upon the amount of transactions directed to Charles Schwab & Co., Inc. Some clients, when undertaking an advisory relationship, may already have their own broker(s) and will instruct the adviser to execute all transactions through same. Firm will try to honor these requests. However, as a practical matter C. G. Hughes Company, LLC executes the majority of its trades through Charles Schwab Institutional. Asset Advisory Group. The adviser manages portfolios on a non-discretionary basis and transacts mostly mutual funds investments for the majority of its clients. Mutual funds are bought and sold at closing NAV's (net asset value). C. G. HUGHESCOMPANY, LLC does have a fiduciary and fundamental duty to seek best execution for client transactions and on a semi-annual basis review Schwab's routing of orders in listed equities, OTC equities and listed options. C. G. HUGHES COMPANY, LLC also semi-annually reviews the routing destination and execution of orders placed for their clients. C. G. HUGHES COMPANY, LLC has reviewed Charles Schwab Best Execution Policy, Order Routing and Execution. All reports are available to clients upon request. Thus we have been suggesting the use of Charles Schwab Institutional broker/dealer. However, as previously stated, no client is under any obligation to effect security transactions through any recommended broker or dealer. All clients are free to select any broker or dealer of his or her choice. Firm has the ability to trade securities through many brokerage houses and domicile the securities at Charles Schwab & Co. utilizing a prime broker relationship that is formed by Charles Schwab & Co. and approved by clients with a signed form that explains the newly established relationship. Brokerage houses will be chosen to execute trades based upon the overall quality, cost and execution. C. G. Hughes Company maintains a relationship with RBF or RBF & Co., an unregistered entity to provide consulting services for certain client portfolios, particularly those invested in individual equity securities. Robert B. Ferguson receives compensation for those services.

### ***Review of Accounts***

Form ADV Part 2A, Item 13

Review of Investment and Financial Management accounts takes place on an as needed basis, but at least semi-annually. The review will be conducted by the principal of the adviser at the time and later by other qualified supervising persons if necessary. Since mutual funds are used predominantly, a single account manager will be able to manage many accounts, grouped according to certain investment categories or objectives, such as growth, growth and income, aggressive growth, etc. Changes in client objective, business and market conditions, fundamental characteristics of a company, security or fund or certain technical indicators will also cause a review. Financial planning clients who are also Investment and Financial Management clients will be

reviewed as described above.

Investment and Financial Management Account clients will receive regular account status reports quarterly from the adviser, and also from other third parties with whom securities transaction have been executed. Unless the client maintains an Investment and Financial Management Account or an Investment Advisory Account, the adviser assumes no responsibility for reviewing client investments.

### ***Client Referrals and Other Compensation***

Form ADV Part 2A, Item 14

The adviser neither receives nor extends compensation for client referrals.

### ***Custody***

Form ADV Part 2A, Item 15

The C. G. Hughes Company does not have custody of any client cash or securities.

### ***Investment Discretion***

Form ADV Part 2A, Item 16

The C. G. Hughes Company does not retain discretion over purchase or sale of any securities in a client portfolio. At the beginning of the engagement, a proposed portfolio is drafted in advance of making any investments. The proposed portfolio is presented to and reviewed by the client and approved. At this point, the investments are made, usually in installments over a period of three to six months depending on various factors including portfolio size, composition, and market conditions. Notice is provided to clients in advance of any recommended changes in the portfolio either during the initial implementation but usually after the portfolio is fully invested. The client can contact the adviser if he/she does not want the recommended change implemented, otherwise instruction for the change will be submitted to the custodian. The client's portfolio will routinely carry a cash balance to satisfy any investment management fees or expenses

### ***Voting Client Securities***

Form ADV Part 2A, Item 17

The firm does not vote proxy statements on behalf of clients.

### ***Financial Information***

Form ADV Part 2A, Item 18

No financial reporting is required since the firm does not receive fees more than six months in advance.