

## Item 1      Cover Page

Part 2A Appendix 1 of Form ADV

Wrap Fee Brochure

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This wrap fee brochure provides information about the qualifications and business practices of Maxim Financial Advisors LLC. If you have any questions about the contents of this brochure, please contact us at (212) 895-3500. 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 Maxim Financial Advisors LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

Please note that registration as an investment advisory firm does not imply a certain level of skill or training.

## **Item 2      Material Changes**

We updated our assets under management.

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## **Item 4      Services, Fees and Compensation**

We offer a wrap fee program. If you choose to invest in this wrap fee program, our Investment Advisor Representatives tailor advice to your needs based on conversations with you. When opening an account, we will collect, and you will be asked to confirm, information about your net worth, investment objectives, and more. We will use this information to open an account with our affiliate, Maxim Group LLC. This information will be used in our discussions when choosing the investments for your account.

Our Investment Advisor Representatives use their own investment style and philosophy and each potential client is required to discuss these matters before opening an account.

Our services are offered as a wrap-fee program and as a non-wrap fee program. In a wrap-fee program, you pay one fee for both custodial and advisory services. For a non-wrap fee program, these payments are separate. We receive a portion of the wrap fee. There is no difference between how we manage wrap fee accounts and non-wrap fee accounts. The service may cost you more or less than purchasing such services separately. The cost difference depends on the amount of trading in your account.

We receive a portion of the wrap fee and the Investment Advisor Representative will also receive a portion of the fee. It may be more or less compensation than we would have received if you participated in other programs. You are advised that there exists an incentive to recommend the wrap fee program in lieu of other programs due to this compensation.

As of December 31, 2016, our discretionary assets under management were \$28,609,121. Our non-discretionary assets under management were \$28,262,782.

### ***Fees for Wrap Fee Program***

Advisory accounts serviced by Investment Advisor Representatives are charged at the beginning of each calendar quarter in advance based on the assets as of the close of business on the last business day of the prior calendar quarter or on the average daily balance of the account for the prior quarter. Fees will be assessed pro rata in the event the portfolio management agreement is executed at any time other than the first day of a calendar quarter.

At our discretion, we make adjustments to your fee based on significant inflows and outflows.

Wrap Accounts serviced by Investment Advisor Representatives are charged an asset management fee in lieu of commissions. The fees are negotiated at the time the client signs the contract and range from 10 basis points to 300 basis points ("bps"). For additional disclosure regarding the Wrap Program, please refer to the Maxim Financial Advisors Wrap Program Brochure.

Fees charged to advisory clients vary by account and are negotiated between the client and the advisor.

Unearned prepaid management fees are refunded pro-rata on terminated accounts.

### ***Other Information about Advisory Fees***

Our advisory fees are negotiable, at our discretion.

Mutual funds and exchange traded funds have operating expenses which include a fee paid to an investment manager or management team. Accounts holding mutual funds or exchange traded funds incur such fees, although these fees are internal to the operation of mutual funds and are not separately billed to the client.

### ***Termination***

Either of us can terminate our agreement for any reason, by giving written notice to the other party. Notice given by the client is effective upon receipt by the firm.

You have the right to terminate our services within five days of signing the client agreement. If you do so, you will

receive a refund of all pre-paid fees.

In the event of termination, the regular management fee is refunded pro-rata from the date of termination to the date to which service has been prepaid.

## **Item 5      Types of Clients**

We provide investment advice to Individuals, Trusts, Estates, Corporations, Retirement Accounts, and other business entities.

We have no minimum account size. The third party managers to which we refer your accounts may have minimum account sizes. These account requirements are described more fully in the third party managers' disclosure documents.

## **Item 6      Portfolio Manager Selection and Evaluation**

Our Advisory Representatives are the Portfolio Managers for the wrap fee program. This could create a conflict of interest in that we are recommending ourselves as the manager of your assets. To address this conflict of interest, we review the accounts for any potential conflicts.

We will provide continuous advice to you or make investments for your individual needs.

We will interview you to learn about your investment experience, liquidity requirements, and tolerance for risk, as well as for general financial information. Your written risk profile then guides managed accounts.

You may instruct us to exclude certain securities on an individual basis or to impose reasonable restrictions on your accounts. You may also vote, pledge or hypothecate the securities in your account.

In order for us to provide ongoing services, you are responsible to advise us, in writing, of changes in your financial status, modifications to your Account Objective, specific investment restrictions if applicable, special reports required if any, and material changes, such as a change of address or marital status.

Because our Advisory Representatives are the portfolio managers for the program, a description of the services we provide is below.

### ***About the Firm***

Maxim Financial Advisors LLC is a registered investment advisory firm offering investment supervisory services and referrals to third party managers. We provide our services on a discretionary and non-discretionary basis through the Advisory Representatives licensed with our firm.

Depending on your needs, our Advisory Representatives may choose to manage your money themselves or refer you to an unaffiliated third party for professional management. We have been operating as an advisory firm since 2006.

Our firm is owned by Maxim Partners, LLC, which in turn is owned by MJR Holdings, LLC. Michael Rabinowitz owns a majority interest in MJR Holdings, Inc.

### ***Investment Supervisory Services***

We offer investment supervisory services as a wrap and a non-wrap program. Information about our service is described in Item 4 on the prior pages.

### *Accounts with Lockwood Advisors, Inc.*

We have an agreement with Lockwood Advisors, Inc., (“Lockwood”) to offer clients an investment management program called Managed Account Advisor (“MAA”). When utilizing this service, our Investment Advisor Representatives collect certain information from you, complete an investment questionnaire and assist you in selecting Manager(s) and/or other investment vehicles. You select a Manager(s) and/or investment style/asset allocation and the Advisory Representative submits the MAA paperwork to Lockwood. Lockwood then reviews your objectives and evaluates the suitability of the Manager(s) and/or investment style selected. Lockwood will send the Investment Advisor Representatives regular performance reports that they in turn will deliver to you. You should compare these reports to those you receive from Pershing, LLC.

Participation in the MAA program enables Maxim Financial Advisors to have access to two discretionary, unified managed account products, Lockwood Investment Strategies (“LIS”) and Lockwood Asset Allocation Portfolios (“LAAP”), offered by Lockwood.

LIS is a discretionary multi-discipline managed account product housed in a single portfolio with five core models. The five core models span the risk/return spectrum. You may also choose from four additional models that include exposure to non-traditional asset classes. Lockwood serves as the Portfolio Manager on these accounts, determines asset allocation, and selects both Sub-Managers and specific investment vehicles for each investment style. The minimum initial investment to establish an LIS account is \$250,000.

LAAP is a discretionary, multi-disciplined account product housed in a single portfolio. Lockwood determines the asset allocation strategy, selects the investment vehicles for each investment style component of the portfolios, and serves as the Portfolio Manager. The minimum investment is \$50,000.

An Investment Advisor Representative uses software and other documentation provided by Lockwood to assist you in selecting an investment style allocation and/or a diversified portfolio of investments and/or managers appropriate for you initially and on an on-going basis. The Investment Advisor Representative will be available to meet with you at any time.

### *Accounts with Envestnet*

We have an agreement with Envestnet, an investment management firm that provides investment management and investment advisory services through independent investment advisors, such as Maxim Financial Advisors, LLC. Through Envestnet, our Investment Advisor Representatives can allocate your assets among the different options in the Program and determine the suitability of the asset allocation and investment options for you, based on your needs, objectives, time horizon, risk tolerance, and other factors. Envestnet’s research team uses a number of proprietary analytical tools and commercially available optimization software applications in developing its asset allocation strategies. More information is available in Envestnet’s Disclosure Brochure, which is provided to clients choosing their programs. You should read this information carefully.

### *External Managers*

We have agreements with external third party managers offering a wide range of advisory services including asset allocation, market timing and portfolio management. Our Investment Advisor Representatives will refer you to these managers when it is appropriate, based on your risk tolerance and objectives. We will not refer you to a money manager unless the money manager is registered or exempt from registration as an investment advisor in your state of residence. You may select a recommended money manager based on your needs.

We are available to meet with you on a continual basis. You should be aware that in a solicitor relationship, we will receive a solicitor fee, or referral fee paid by the recommended Manager for the referral. The disclosure brochures of

the Third Party Managers describe these fees. In a subadvisory relationship, we will collect and retain a portion of the advisory fee but will remit a portion to the subadvisory manager as compensation for providing advice on your account.

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

We do not accept performance-based fees.

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

Our Investment Advisor Representatives manage money using a combination of Mutual Funds (active and passively managed), Exchange Traded Funds (ETFs), individual stocks, bonds and other securities. Maxim Financial Advisors uses third-party service providers as a source of information, which includes Web-enabled information, analysis and research services.

Our Investment Advisor Representatives regularly reallocate actively managed portfolios to adapt to changing market environments.

We may use the following methods of security analysis:

- Charting - (analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices)
- Fundamental - (analysis performed on historical and present financial statement data, with the goal of making financial forecasts)
- Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)
- Cyclical – (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)

We use the following investment strategies when implementing advice:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Trading (securities sold within thirty (30) days)
- Options (contract for the purchase or sale of a security at a predetermined price during a specific period of time)

Investing in securities involve risk of loss that you should be prepared to bear. There are no guarantees that the advice we give you will be profitable. You may lose all of your money.

Our investment methodology involves risks. The primary risks you should consider are market risk, company risk and sector risk. These primary risks are described below.

Market risk is the risk that your investments will be worth less than when you originally invested. Markets fluctuate, causing the value of your investments to fluctuate.

Company risk is the risk that a specific company we recommend fails to perform as expected, causing a portion of your investment to be worth less than originally invested or nothing at all.

Another area of risk is the focus of your assets in securities of a particular sector. Sector risk is the possibility that securities within the same group of industries will decline in price due to sector-specific market or economic developments. If you are invested more heavily in a particular sector, the value of your investments may be especially sensitive to factors and economic risks that specifically affect that sector. Certain sectors are subject to greater government regulation and changes in regulatory policies for those sectors may have a material effect on the value of securities issued by companies in those sectors.

### *Voting Client Securities*

We do not vote proxies on your behalf. You retain that right unless you make other arrangements with the custodian of your assets. You will receive proxies or other solicitations directly from the custodian of your assets. You may contact us with questions about proxies

## **Item 7      Client Information Provided to Portfolio Managers**

Because our Advisory Representatives are the portfolio managers, any information you provide to us will be shared with the portfolio managers.

## **Item 8      Client Contact With Portfolio Managers**

Our Advisory Representatives are the portfolio managers of the wrap fee program. You may contact and consult with them at any time during regular business hours.

## **Item 9      Additional Information**

### *Disciplinary Information*

Neither the Firm nor any of our management persons have been involved in any event that is material to a client's or prospective client's evaluation of the Firm or the integrity of its management. Some of our Investment Advisor Representatives have material disciplinary events that should be considered by a client or prospective client. Details about these events are contained in the individual representative's brochure supplements.

### *Other Financial Industry Activities and Affiliations*

We have an affiliate, Maxim Group LLC, which is a registered broker/dealer. All of our executive officers are also executive officers of Maxim Group LLC. Our Investment Advisor Representatives are also Registered Representatives of Maxim Group LLC. As a broker/dealer, Maxim Group offers equities, options, preferred stocks, corporate bonds, government bonds, municipal bonds, CDs, direct participation programs and open and closed end mutual funds and other investments.

Our Investment Advisor Representatives are Registered Representatives of Maxim Group LLC. In this capacity, they may sell securities for sales commissions as Registered Representatives. Some of our advice may involve investments in mutual funds that pay 12b-1 trail fees. The Investment Advisor Representatives may receive a portion of these 12b-1 trail fees in their separate capacity as Registered Representatives.

Clients should be aware that the payment and receipt of these commissions and fees could represent an incentive for our representatives to recommend mutual funds or variable annuities that pay 12b-1 trail fees or pay higher 12b-1 trail fees over funds with no 12b-1 fees or lower fees. This creates potential conflicts of interest to recommend investment and insurance products based on compensation rather than client needs.



Our Investment Advisor Representatives expect to receive up to 90% of their income from their activities as Registered Representatives.

We address these conflicts by doing the following:

We must disclose any potential or actual conflicts of interest when dealing with clients.

We are subject to the following specific obligations when dealing with clients:

- The duty to have a reasonable, independent basis when providing investment advice;
- The duty to ensure that investment advice is suitable to meeting the client's individual objectives, needs, and circumstances; and,
- A duty to be loyal to clients.

Clients always have the option of purchasing recommended investment and insurance products through other broker-dealers.

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

Associated persons may buy or sell for their own accounts the same securities recommended to you. The Firm seeks to ensure that our associated persons do not personally benefit from the short-term market effects of their recommendations to you and we monitor their personal trading.

Our associated persons are also Registered Representatives of Maxim Group LLC, and may sell you securities in addition to providing you with advice. When they do so, they may earn a commission. This creates a conflict of interest in that they may have an incentive to recommend a product to you for compensation in lieu of providing you with unbiased advice. We monitor our associated persons' activities and hold them to high standards.

Associated persons may also buy or sell a specific security for their own account based on personal investment considerations, which the Advisor does not deem appropriate to buy or sell for clients.

In addition to the above, Investment Advisor Representatives may affect transactions for your accounts in selected primary or secondary offerings. While there are no brokerage commissions or fees associated with such trades, Investment Advisor Representatives are paid directly by the issuer of such securities in the form of a sales concession, the amount and size of which will vary. We will not affect any principal or agency cross transactions for the client except as may be permitted by Section 206(3) of the Investment Advisers Act of 1940 and the Rules thereunder.

We have adopted a Code of Ethics to instruct our personnel in their ethical obligations and to provide rules for their personal securities transactions. The Firm and our personnel owe a duty of loyalty, fairness and good faith to their clients, and the obligation to adhere not only to the specific provisions of the code but also to the general principles that guide the Code. The Code covers a range of topics including general ethical principles, reporting personal securities trading, exceptions to reporting securities trading, reportable securities, initial public offerings and private placements, reporting ethical violations, distribution of the Code, review and enforcement processes, amendments to Form ADV and supervisory procedures. We will provide a copy of the Code to any client or prospective client upon request.

### *Review of Accounts*

Investment Advisor Representatives and their Assistant Branch Office Managers review your accounts on a regular basis. The Assistant Branch Office Managers review all advisory account activity at least monthly.

Brokerage activity in our accounts is also reviewed by Maxim Group, our affiliate. Some things that Maxim Group's associates review are size of commissions charged, suitability, activity level and the size of trades.

More frequent reviews may be triggered by material changes in your circumstances or because of changes in the political, market, or economic environment.

The Investment Advisor Representatives may consult with our compliance department as necessary.

Clients receive a statement, no less than quarterly, from the custodian of their assets. We provide no additional reports.

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

We do not pay anyone for client referrals for our accounts.

#### ***Financial Information***

We have no financial condition that is reasonably likely to impair our ability to meet contractual commitments to you.