

# **Samalin Investment Counsel, LLC**

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## **Form ADV Part 2A Disclosure Brochure**

This brochure provides information about the qualifications and business practices of Samalin Investment Counsel, LLC. If you have any questions about the contents of this brochure, contact us at 914-666-6600. 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 Samalin Investment Counsel, LLC (CRD No. 142214) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Samalin Investment Counsel, 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.

## Item 2 Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

This firm brochure contains the following material changes from the immediately prior version dated August 17, 2016:

1. *Item 4, Advisory Business:* We have amended this item to disclose that the name of our affiliate, Center for Divorce and Finance, LLC, has been changed to Samalin Divorce Finance, LLC.
2. *Item 5, Fees and Compensation:* We have removed disclosure regarding sale of insurance products. At this time, associated persons of our firm do not act as licensed insurance agents.
3. *Item 8, Methods of Analysis, Investment Strategies and Risk of Loss:* We have amended this item to disclose that we may recommend loan participations to advisory clients.
4. *Item 10, Other financial Industry Activities and Affiliations:* We have amended the name of our affiliate as noted in item 1 above.
5. *Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading:* We have amended this item to disclose that Associated Persons of our firm may be compensated for providing financial analysis to borrowers with respect to loans in which advisory clients may be solicited to invest.
6. *Item 15, Custody:* We have removed disclosure regarding trustee services which pertained to an associated person of our firm acting as trustee for an advisory client's account due to a family or personal relationship.

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## Item 4 Advisory Business

### Firm Profile

Samalin Investment Counsel, LLC is a registered investment adviser primarily based in Chappaqua, New York. We are organized as a limited liability company under the laws of the State of Delaware. We have been providing investment advisory services since 2007. Andrew Samalin is our principal owner.

As used in this brochure, the words "we," "our," "firm," and "us" refer to Samalin Investment Counsel, LLC and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm. Also, you may see the term "Associated Person" throughout this brochure. As used in this brochure, our Associated Persons include our firm's officers, employees, and all individuals providing investment advice on behalf of our firm.

We provide our clients with a wide range of investment advisory services through our investment management programs, including financial planning, consulting, and discretionary and non-discretionary management of investment portfolios. Our integrated suite of services may be offered to clients on an all-inclusive or individual basis. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services based on an analysis of your financial situation, personal balance sheet complexities, and individualized needs.

### Financial Planning/Consulting Services

We offer broad-based and consultative financial planning services to our clients which may also include second opinion services regarding investments and other non-investment related matters. Financial planning will typically involve providing a variety of advisory services to clients regarding the management of their financial resources based upon an analysis of their individual needs. In addition to traditional financial planning services, we offer financial consultations on a variety of matters, including analysis and advice on investment strategy, asset allocation, review of specific investment programs or products, review of alternative investment opportunities or review of other financial advisors, among others.

Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to our firm. In providing the contracted services, we are not required to verify any information we receive from you or from your other professionals (e.g. attorney, accountant, etc.) and we are expressly authorized to rely on the information you provide. You must promptly notify our firm if your financial situation, goals, objectives, or needs change.

You are under no obligation to act on our financial planning recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan through any of our other investment advisory services. Moreover, you may act on our recommendations by placing securities transactions with any brokerage firm of your choice.

### Divorce Financial Planning

We provide planning and professional guidance designed to address the immediate and long-term financial effects of divorce in an effort to protect client assets. Divorce financial planning is a fee-only process that does not involve investment advice on securities or implementation of securities related transactions. Through this service, we will assist you in determining the short and long term financial impact of any proposed divorce settlement. We will also provide consultations on financial issues that are related to the divorce, such as tax information, pension plan analysis, continued health care coverage, stock option elections, among others. We can work with your attorney or other professionals to assist you in making suitable financial decisions throughout the divorce process. We will either

provide the services directly, or we will recommend that you engage our affiliate, Samalin Divorce Finance, LLC, for divorce financial planning services. Please refer to the *Financial Industry Activities and Affiliations* section below for additional disclosures on this topic.

### **Portfolio Management Services**

We provide discretionary and non-discretionary portfolio management services in accordance with your individual investment objectives. If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Subject to a grant of discretionary authorization, we have the authority and responsibility to formulate investment strategies on your behalf. This authorization includes deciding which securities to buy and sell, when to buy and sell, and in what amounts, in accordance with your investment program, without obtaining your prior consent or approval for each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm, a power of attorney, and/or trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with your restrictions and guidelines in writing.

If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account. You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis. Non-discretionary services are provided relative to: (1) variable life/annuity products that you may own, and/or (2) your individual employer sponsored retirement plan. In providing these services, we will either direct or recommend the allocation of your assets among the various mutual fund subdivisions that comprise the variable life/annuity product or retirement plan. In all cases, your assets will be maintained at either the specific insurance company that issues the variable life/annuity product that you own, or at the custodian designated by the sponsor of your retirement plan.

You may make additions to and withdrawals from your account at any time, subject our right to terminate an account. If you deposit or withdraw assets from your account after the first day of any calendar quarter, we will not adjust or prorate our management fee based on the number of days remaining in the quarter. You may withdraw account assets on notice to our firm, and subject to the usual and customary securities settlement procedures. However, we design our portfolios as long-term investments and asset withdrawals may impair the achievement of your specific investment objectives.

### **Wrap Program**

We provide discretionary investment management services on a wrap fee basis in accordance with our investment management wrap fee program (the "Program"). The Program is generally closed to new clients and is offered only to existing client accounts within the Program and/or clients who may be transferring pre-existing accounts to our firm that are already subject to a wrap fee based program through another adviser.

The services offered under and the terms and conditions pertaining to the Program are discussed in a separate Program brochure (the "Wrap Brochure"). Under the Program, we offer participants discretionary investment management services, for a single specified annual Program fee, inclusive of trade execution, custody, reporting, and investment management fees. The terms and conditions for your participation in the Program are set forth in detail in the Wrap Brochure, which is provided to all Program participants in accordance with the disclosure requirements of Appendix 1 to Form ADV Part 2A. The Brochure is incorporated into this Form ADV Part 2A disclosure brochure by reference. All Program participants should read this disclosure statement and the Wrap Brochure, and ask any corresponding questions that they may have, regarding participation in the Program.

As indicated in the Wrap Brochure, the overall cost of participation in the Program may cost more or less than purchasing such services separately. As also indicated in the Wrap Brochure, the Program fee associated with your participation in the Program may be higher or lower than those fees charged by other sponsors of comparable wrap fee programs. We receive a portion of the wrap fee for services provided to your account.

### **Types of Investments**

We primarily offer advice on equity securities, corporate debt securities, mutual funds, exchange traded funds, privately placed securities, real estate investment trusts, and options in accordance with your investment objectives. We will also manage index mutual funds, generally made available through Dimensional Fund Advisors. Additionally, we may recommend other types of investments since each client has different needs and different tolerances for risk. We may also advise you on any type of investment held in your portfolio at the inception of our advisory relationship, or on specific types of investments at your request.

We may recommend that clients that are "accredited investors" as defined under Rule 501 of the Securities Act of 1933, as amended, invest in private placement securities, which may include debt, equity, and/or pooled investment vehicles when consistent with the client's investment objectives. When we recommend such investments, we do not receive any additional compensation beyond the receipt of our applicable investment advisory fees on the client's assets under our management. Refer to the *Other Financial Industry Activities and Affiliations* section below for additional disclosures.

You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

### **Assets under Management**

As of December 31, 2016, we manage \$126,378,385 in client assets on a discretionary basis, and \$24,998,561 in client assets on a non-discretionary basis.

## **Item 5 Fees and Compensation**

### **Financial Planning/Consulting Services**

Prior to engaging our firm to provide financial planning and/or consulting services, you will generally be required to enter into a separate written agreement with us that sets forth the terms and conditions of the engagement and describes the scope of the services to be provided, and the fees to be paid. Our fees for these services may consist of a fixed fee, an hourly fee, or a combination thereof. Currently, fixed fees range from \$875 to \$10,000 and hourly fees range from \$175 to \$575. Generally, we require payment of one-half of the financial planning/consulting fee upon entering into the agreement for services. The remaining balance is due and payable upon delivery of the financial plan or completion of the agreed upon services.

The type and amount of the fees charged will be negotiated on a case-by-case basis, and are based on the complexity of your financial situation and the scope of services to be provided. An estimate of the total cost will be determined at the start of the advisory relationship. In limited circumstances, the cost/time could potentially exceed the initial estimate. In such cases, we will notify you and may request that you pay an additional fee. Other fees and fee paying arrangements, including contingency based compensation, may be negotiated with clients on a case-by-case basis. In such cases, the fees and fee paying arrangements will be clearly disclosed in the executed agreement for services.

Either party may terminate the agreement by providing written notice to the other party. You will incur a pro rata charge for services rendered prior to the termination of the agreement. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

### **Divorce Financial Planning**

The type and amount of the fees charged will be negotiated on a case-by-case basis, and are based on the complexity of your financial situation and the scope of services to be provided. An estimate of the total cost will be determined at the start of the advisory relationship, and will be clearly set forth in the executed agreement for services. *In limited circumstances*, the cost/time could potentially exceed the initial estimate. In such cases, we will notify you and may request that you pay an additional fee.

### **Portfolio Management Services**

Our annual fee for portfolio management services varies between 0.50% and 2.50% depending upon the market value of your assets under our management, the type and complexity of the asset management services provided, as well as the level of administration requested either directly or assumed by the client. Assets in each of your account(s) are included in the fee assessment unless specifically identified in writing for exclusion. In special circumstance, and in our sole discretion, we may negotiate a lesser management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client relationship, account retention, *pro bono* activities, etc.). We may also charge a fixed consulting fee in lieu of asset based compensation. Such fees are negotiated on a client-by-client basis and will be clearly set forth in the executed agreement for services.

Our portfolio management fee is billed and payable quarterly, in advance, based on the value of your account on the last day of the previous quarter. For the initial quarter of investment management services, our fees will be calculated on a pro-rata basis, which means that you will incur advisory fees only in proportion to the number of days occurring in the initial quarter for which you are a client.

We will send you an invoice for the payment of our advisory fee, or we will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy. We will also receive a duplicate copy of your account statements.

You may terminate the portfolio management agreement upon written notice to our firm. You will incur a pro-rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you were a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a pro-rated refund of those fees.

We encourage you to reconcile any invoices or reports provided by our firm (as applicable) with the account statement(s) you receive from the qualified custodian of your account(s). If you find any inconsistent information between our invoices or reports and the statement(s) you receive from the qualified custodian, call our main office number located on the cover page of this brochure.

### **Additional Fees and Expenses**

In addition to, and exclusive of, our investment advisory fees disclosed under the *Advisory Business* section above, you will also be charged brokerage commissions, transaction fees, and other related costs and expenses for trade execution, clearance, and custodial services provided by your account custodian and/or broker-dealer. These commissions, fees, and charges will typically be outlined in the custodial agreement you execute with the account custodian and/or broker-dealer. These transaction charges are imposed by, paid to, and retained by your account custodian/broker-dealer. We do not receive any portion of these commissions, fees, or costs. For information on our brokerage practices, refer to the *Brokerage Practices* section below.



As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The investment advisory fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fund level fees will generally include a management fee and other fund expenses. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others.

In the event of the death of any client who is a natural person, we may offer the executor/executrix of the deceased client's estate to engage our firm to manage the client's estate account(s) under a separate written advisory agreement. Where the executor/executrix of the client's estate elects to engage us to manage the estate's assets in this manner, an administrative fee of \$500 will be charged to the estate account at inception to defer costs incurred by our firm in connection with gathering required documents, opening account(s), and communicating with the executor/executrix and/or the deceased's family members.

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

We do not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. 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. Our fees are calculated as described in the *Advisory Business* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

## **Item 7 Types of Clients**

We offer investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities. In general, we do not require a minimum amount of assets to open and maintain an advisory account; however, we prefer to manage portfolio's which have a minimum of \$500,000 in assets, and we reserve the right to terminate your account if it falls below a minimum size which, in our sole opinion, is too small to effectively manage. We may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum.

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

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:



- **Fundamental Analysis** - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.
- **Cyclical Analysis** - a type of technical analysis that involves evaluating recurring price patterns and trends.
- **Long Term Purchases** - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.
- **Short Term Purchases** - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short term price fluctuations.
- **Options Trading/Writing**: a securities transaction that involves buying or selling (writing) an option. If you write an option, and the buyer exercises the option, you are obligated to purchase or deliver a specified number of shares at a specified price at the expiration of the option regardless of the market value of the security at expiration of the option. Buying an option gives you the right to purchase or sell a specified number of shares at a specified price until the date of expiration of the option regardless of the market value of the security at expiration of the option.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

### **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

### **Recommendation of Particular Types of Investments**

As disclosed under the *Advisory Business* section in this Brochure, we primarily recommend equity securities, corporate debt securities, mutual funds, exchange traded funds, privately placed securities, loan participations, real estate investment trusts, and options in accordance with your investment objectives. We will also recommend index mutual funds, generally made available through Dimensional Fund Advisors. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to: the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and, the overall health of the economy. In general, larger, more well-established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

Corporate debt securities (or "bonds") are typically safer investments than equity securities, but their risk can also vary widely based on: the financial health of the issuer; the risk that the issuer might default; when the bond is set to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same dividend.

Mutual funds and exchange traded funds are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. Exchange traded funds differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely which can dilute other investors' interests.

Options give an investor the right to buy or sell a stock at some future time at a set price. Options are complex investments and can be very risky, especially if the investor does not own the underlying stock. In certain situations, an investor's risk can be unlimited. The main difference between warrants and call options is that warrants are issued and guaranteed by the issuing company, whereas options are traded on an exchange and are not issued by the company. Also, the lifetime of a warrant is often measured in years, while the lifetime of a typical option is measured in months.

A limited partnership is a financial affiliation that includes at least one general partner and a number of limited partners. The partnership invests in a venture, such as real estate development or oil exploration, for financial gain. The general partner does not usually invest any capital, but has management authority and unlimited liability. That is, the general partner runs the business and, in the event of bankruptcy, is responsible for all debts not paid or discharged. The limited partners have no management authority and confine their participation to their capital investment. That is, limited partners invest a certain amount of money and have nothing else to do with the business. However, their liability is limited to the amount of the investment. In the worst case scenario for a limited partner, he/she loses what he/she invested. Profits are divided between general and limited partners according to an arrangement formed at the creation of the partnership.

Loan participations allow investors to participate in large loans to provide funding to borrowers. Typically, the loans are collateralized by mortgages on real estate property.

## **Item 9 Disciplinary Information**

Samalin Investment Counsel, LLC has been registered and providing investment advisory services since 2007. Neither our firm nor any of our Associated Persons has any reportable disciplinary information.

## Item 10 Other Financial Industry Activities and Affiliations

Andrew Samalin, Managing Member of Samalin Investment Counsel, LLC, is also Managing Member of Samalin Development LLC, a real estate management and development company, and is the Managing Member of numerous other limited liability companies. Please refer to **item 11 Codes of Ethics, Participation or Interest in Client Transactions and Personal Trading** section below for additional disclosures.

Mr. Samalin is Managing Member of Samalin Divorce Finance LLC ("SDF"). SDF specializes in providing planning and professional guidance in structuring divorce settlements that are designed to address the immediate and long-term financial effects of divorce in an effort to protect client assets. To assist clients of SDF in securities related services, we have entered into a non-exclusive reciprocal referral arrangement with SDF through which we may refer our advisory clients to SDF for divorce planning services. In return, SDF will refer divorce planning clients to us for investment advisory and securities related services. While as part of our fiduciary duty, we endeavor at all time to put your interest first, you should be aware that this referral arrangement creates a conflict of interest since Mr. Samalin, as a co-owner of SDF, has a financial incentive to recommend SDF and its services. You retain absolute discretion over the decision to enter into an agreement with SDF for divorce planning services. You are under no obligation to act on our referral, and you are free to accept or reject, at any time, the services provided by SDF. Should you choose to enter into an agreement for divorce planning services, you are in no way obligated to do so through SDF. Refer to the *Advisory Business* section above for additional disclosures on this topic.

Certain persons providing investment advice on behalf of our firm are licensed as insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate from our advisory fees. Refer to the *Fees and Compensation* section above for more information on the compensation received by insurance agents who are affiliated with our firm.

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

### Description of Our Code of Ethics

We have adopted a Code of Ethics that sets the standard of conduct expected to comply with applicable securities laws. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. We adhere strictly to these guidelines. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm. Clients or prospective clients may contact us at 914-666-6600 to request a copy of our Code of Ethics.

### Participation or Interest in Client Transactions

Certain employees, independent contractors, or clients of our firm, including Andrew Samalin our Managing Member may serve as the managing member, limited partners, finders, and/or investors in certain limited liability companies specializing in real estate financing transactions, including but not limited to (mortgages) in which you may be solicited to invest. These investments are completely separate from your investment account(s) that are serviced by our firm through the advisory services disclosed in **Item 4 Advisory Services** above, and from your account(s) held at Fidelity Investments, your account custodian. Should you decide to participate in these private investments, you can either fund the investment separately, or we will transfer funds from your account(s) held at Fidelity Investments to the private investment vehicle at your written request. Only persons meeting certain

legal requirements may invest in these private investment companies. (See **Item 8 Recommendation of Particular Types of Investments** above.) If you meet the legal requirements, and you elect to invest in one or more of these companies, you will receive additional disclosures specific to the given investment(s). You are expressly informed that the fees paid to our firm for advisory services, as disclosed above, are separate and in addition to any fees paid to Mr. Samalin, and/or others, for the management of these companies. Fees may be paid to Mr. Samalin, and/or others, by the borrower for providing financial analysis. In addition, sometimes consulting fees may be paid separately by advisory clients that invest in a loan. While as part of our fiduciary duty, we endeavor at all times to put your interests first, you should be aware that these situations may create a conflict of interest since our firm and/or our Associated Persons, including Mr. Samalin, may have a financial incentive to recommend these investments. You are strongly encouraged to seek independent legal counsel prior to investing in these private investments. These investments are not protected by SIPC.

### **Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor our Associated Persons shall have priority over your account in the purchase or sale of securities. These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

## **Item 12 Brokerage Practices**

### **Recommendation of Broker-Dealers**

We routinely recommend the brokerage and custodial services of Fidelity Institutional Wealth Services and its affiliates (collectively referred to as "Fidelity"), a securities broker-dealer and a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). If you do not direct our firm to execute transactions through Fidelity, we reserve the right to not accept your account. Not all advisers require their clients to direct brokerage. We may only implement our investment management recommendations after you have arranged for and furnished our firm with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions include, but are not limited to, Fidelity, and any other broker-dealer we recommend, any broker-dealer directed by you, trust companies, banks, etc. (collectively referred to as "Financial Institution(s)"). You may incur certain charges imposed by the Financial Institution(s) and other third parties such as custodial fees, charges imposed directly by a mutual fund or exchange traded fund in the account, which shall be disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Such charges, fees and commissions are exclusive of and in addition to our advisory fee.

Factors that we consider in recommending Fidelity or any other broker-dealer to you include their respective financial strength, reputation, execution, pricing, research, and service. Fidelity enables our firm to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by Fidelity may be higher or lower than those charged by other broker-dealers. The commissions you pay shall comply with our duty to obtain "best execution." However, you may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where we determine, in good faith,

that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while we will seek competitive rates, we may not necessarily obtain the lowest possible commission rates for client transactions. If you request that we arrange for the execution of securities brokerage transactions for your account, we will direct such transactions through broker-dealers that we reasonably believe will provide best execution. We will periodically and systematically review our policies and procedures regarding recommending broker-dealers to you in light of our duty to obtain best execution.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist our firm in the investment decision-making process. Such research generally will be used to service all of our clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest. We may receive from Fidelity, without cost to our firm, computer software and related systems support, which allow us to better monitor your accounts maintained at Fidelity. We may receive the software and related support without cost because we render investment management services to clients that maintain assets at Fidelity. The software and related systems support may benefit our firm, but not you directly. In fulfilling our duties to you, we endeavor at all times to put your interests first. You should be aware however, that our receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence our choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services. Additionally, we may receive the following benefits from Fidelity through the Fidelity Institutional Wealth Services Group: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its Institutional Wealth Services Group participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

### **Directed Brokerage**

In limited circumstances, and at our discretion, some clients may instruct our firm in writing to use one or more particular brokers to execute some or all of the transactions in their accounts. If you choose to direct our firm to use a particular broker, you will negotiate terms and arrangements for your account with the broker-dealer, and we will not seek better execution services or prices from other broker-dealers or be able to aggregate trades with other client accounts (as described below at *Block Trades*). As a result, you may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that you will obtain through your broker are adequately favorable in comparison to those that we would otherwise obtain for you. Subject to our duty to obtain best execution, we may decline your request to direct brokerage if, in our sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.



## **Block Trades**

Transactions for each client generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at approximately the same time. In these circumstances we may, but are not obligated to, combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). Where a block trade occurs, we will then distribute a portion of the shares obtained to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of any management fees paid to our firm. Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays transaction costs based on account characteristics, such as, whether the account is a legacy wrap account or whether the client elected e-delivery of statements and confirmations. Wrap fee accounts are no longer offered by our firm. Clients who elect e-delivery of account statements and confirmations generally pay a lower commission per transaction than clients who receive such documents by mail. Accounts owned by our firm or persons associated with our firm will not participate in block trading with your accounts.

## **Item 13 Review of Accounts**

For those clients to whom we provide investment management services, we monitor those portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. For those clients to whom we provide financial planning and/or consulting services, reviews are conducted on an "as needed" basis. Andrew Samalin, Managing Member of Samalin Investment Counsel, LLC will conduct account reviews. You are encouraged to discuss your needs, goals, and objectives with our firm, and to keep us informed of any changes in this information. We will contact ongoing investment advisory clients at least annually to review the previous services provided and/or recommendations and to discuss the impact resulting from any changes in your financial situation and/or investment objectives.

You will receive transaction confirmation notices and regular summary account statements, at least quarterly, directly from the broker-dealer or custodian for your account(s). If we are providing investment advisory services for your account(s), we will also provide you with a report, at least annually, that generally includes relevant account and/or market-related information such as an inventory and appraisal of account holdings, and investment performance.

If you have retained our firm for financial planning and/or consulting services, you will receive reports from us summarizing our analysis and conclusions as requested by you or as otherwise agreed to in writing.

Finally, we provide periodic performance reports using data compiled by an outside vendor (Black Diamond Performance Reporting). Upon our request, they aggregate client data from both our Qualified Custodian, and any other custodian as authorized by the client in order to create a performance report. This report will have the results from the client's psychometric analysis (target portfolio) and their actual portfolio. The actual and target portfolios may be different from time to time, or for an extended period of time, depending on market conditions. This is a normal part of the asset management/rebalancing/risk profiling process.

We encourage you to reconcile our reports with those received from the qualified custodian. If you find your holdings differ between these two statements, call our main office number located on the cover page of this brochure.

## Item 14 Client Referrals and Other Compensation

We directly compensate non-employee (outside) consultants, individuals, and/or entities (Solicitors) for client referrals. In order to receive a cash referral fee from our firm, Solicitors must comply with the requirements of the jurisdictions in which they operate. If you were referred to our firm by a Solicitor, you should have received a copy of this brochure along with the Solicitor's disclosure statement at the time of the referral. If you become a client, the Solicitor that referred you to our firm will receive a referral fee. You will not pay additional fees because of this referral arrangement. Referral fees paid to a Solicitor are contingent upon your entering into an advisory agreement with our firm. Therefore, a Solicitor has a financial incentive to recommend our firm to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

Solicitors that refer business to more than one investment adviser may have a financial incentive to recommend advisers with more favorable compensation arrangements.

Refer to the *Brokerage Practices* section above for disclosures on research and other benefits we may receive resulting from our relationship with Fidelity.

## Item 15 Custody

We directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

You should compare our statements with the statements from your account custodian(s) to reconcile the information reflected on each statement. If you have a question regarding your account statement or if you did not receive a statement from your custodian, contact Thomas Kowalchuk at 914-666-6616 or Fidelity directly at 800-544-6666.

## Item 16 Investment Discretion

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement, a power of attorney, and/or trading authorization forms.

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Refer to the *Advisory Business* section above for more information on our discretionary management services.



If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). Refer to the *Advisory Business* section above for more information on our non-discretionary management services.

## **Item 17 Voting Client Securities**

We will not vote proxies on behalf of your advisory accounts. However, at your request, we may offer you advice regarding the exercise of your proxy voting rights. The ultimate voting decision always remains with the client.

## **Item 18 Financial Information**

Our firm does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and, we do not require the prepayment of more than \$500/\$1,200 in fees six or more months in advance nor have we filed a bankruptcy petition at any time in the past ten years. Therefore, we are not required to include a financial statement with this brochure.

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

This section is not applicable to our firm because we are an SEC registered investment adviser.

## **Item 20 Additional Information**

### **Your Privacy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Contact us at 914-666-6600 if you have any questions regarding our privacy policy.

**Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

**Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.