

**FIRM BROCHURE  
OF  
MAJORITY ASSET MANAGEMENT, INC.**

3330 Noyac Road  
Building E, Suite 6  
Sag Harbor, NY 11963

**This brochure provides information about the qualifications and business practices of Majority Asset Management, Inc. If you have questions about the contents of this brochure, please contact us at (631) 725-7755. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.**

**Additional information about Majority Asset Management, Inc. is also available at the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Our reference to ourselves as being a “registered investment adviser” or as being “registered” with the SEC does not imply a certain level of skill or training.**

This Date of this Brochure is March 26, 2018

## **Item 2            Material Changes**

The purposes of this section is to identify and discuss the material changes between this Firm Brochure of Majority Asset Management, Inc. and Majority Asset Management, Inc.'s last annual update to its Firm Brochure, which was dated March 27, 2017. Item 12 of this Firm Brochure, Brokerage Practices, has been revised to reflect: (A) that if asked to recommend a broker-dealer/custodian for execution and custodial services, we will recommend that clients use either (i) Merrill Lynch, a nationally recognized full service broker-dealer where many of our clients maintain their accounts, or (ii) Fidelity Investments as a discount broker-dealer/custodian option, and that we will briefly explain the basic differences in the services offered by each of Merrill Lynch and Fidelity and the costs thereof, as well as the advantages and disadvantages of using a full service broker dealer/custodian compared to a discount broker-dealer/custodian; and (B) that we require clients to direct us to execute securities transactions on their behalf through a designated broker-dealer, and to discuss certain risks of directed brokerage. Other than as set forth herein, there are no material changes between this Firm Brochure and the Firm Brochure dated March 27, 2017.

### **Item 3            Table of Contents**

<b><u>Item Number</u></b>	<b><u>Item</u></b>	<b><u>Page</u></b>
Item 2	Material Changes .....	2
Item 3	Table of Contents .....	3
Item 4	Advisory Business.....	4
Item 5	Fees and Compensation.....	4
Item 6	Performance-Based Fees and Side-By-Side Management.....	5
Item 7	Types of Clients .....	5
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss .....	6
Item 9	Disciplinary Information.....	7
Item 10	Other Financial Industry Activities and Affiliations.....	7
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	7
Item 12	Brokerage Practices.....	8
Item 13	Review of Accounts .....	14
Item 14	Client Referrals and Other Compensation .....	14
Item 15	Custody .....	14
Item 16	Investment Discretion .....	15
Item 17	Voting Client Securities .....	15
Item 18	Financial Information.....	16
Item 19	Requirements for State-Registered Advisers .....	16
	Brochure Supplement For Barbara E. Doty .....	17

#### **Item 4            Advisory Business**

Majority Asset Management, Inc. (“MAM” or “us” or “we” or a similar term) manages assets for clients seeking discretionary (i.e., without client consultation) investment management services. Barbara E. Doty is the principal and sole owner of MAM, a Maryland corporation formed in 1992.

We provide continuous advice to clients regarding the investment of their funds. We provide each client with investment management services on a personalized basis based upon, in general, the client’s financial circumstances, risk tolerance and investment objectives. In a typical client engagement, we will, together with the client, evaluate the client’s investment objectives and risk profile and agree upon an asset allocation strategy for the client. We then develop a specific investment strategy based on that asset allocation and the client’s particular needs and circumstances. We continuously monitor the client’s portfolio and provide clients with performance reports (see item 13 below, “Review of Accounts”).

To the extent we are authorized to exercise discretion over a client account, and subject to our fiduciary duty to our clients, there are generally no limitations on MAM as to the securities to be bought and sold, the amount of securities to be bought and sold, the broker or dealer to be used or the commission rate to be paid. However, clients may place limitations on us with respect to these matters. We require that such restrictions be included in a client’s investment advisory agreement with us or another written instrument between us and our client. Clients may change these restrictions from time to time.

As of December 31, 2017, we manage \$41,333,288 of client assets on a discretionary basis and no client assets on a non-discretionary basis.

#### **Item 5            Fees and Compensation**

MAM’s general advisory fee schedule is as follows:

Account Value	Equity Only Accounts (Annual)	Balanced Accounts (Annual)
\$10,000,000+	0.80%	0.60%
\$1,000,000+	1.00%	0.80%

However, our management fees are negotiable, and thus may vary among clients. In general, the factors involved in negotiating fees include the size of the account and/or the amount of service that is anticipated to be provided by us to the client. We do not favor one account over another based on the fees paid by a client.

In general, management fees are payable quarterly in advance, based on the fair market value of the portfolio as of the end of the prior quarter, and are subject to a minimum annual fee of \$3,750. If our services are terminated during a quarter, we will

automatically refund a proportionate part of any fee. In general, a client may terminate its agreement with us without penalty within five days after entering into the agreement or, thereafter, upon 30 days prior written notice. Also, in general, we may terminate any agreement upon 30 days prior written notice.

In general, for clients that retain Merrill Lynch as their custodian, our recommended full service broker-dealer (see Item 12 of this Brochure for further information), we send our invoice for our management fees directly to the custodian of our clients' accounts, and the custodian pays us directly. For certain clients, however, in particular those clients that do not use Merrill Lynch as their custodian, we send our invoice directly to the client and the client pays us. Our invoice, which we send to the client and the custodian simultaneously (if applicable), states the amount of the fee for the quarter, the value of client's assets on which the fee is based, and the manner in which the fee was calculated. Generally, the custodian of our clients' accounts is a full service broker-dealer that has an account relationship directly with the client.

Under certain circumstances, clients may compensate us for services with fixed fees and/or hourly charges. We do not have a basic fee schedule for such services as all such fees are negotiable, and the timing of the payment of such fees is similarly negotiable. These fees will be described in the agreement between MAM and the client. In all cases, any such fees paid but not earned will be appropriately prorated upon termination.

The fees described above do not include the cost of transaction executions. All such expenses will be paid out of the assets in the advisory account and are in addition to the fees paid to MAM. See Item 12 for additional information regarding brokerage.

Also, if a client's account is invested in investment company securities (i.e., mutual funds, which may include exchange traded funds and money market funds), the client's account may incur sales charges and will be charged a proportionate share of the expenses of the mutual funds, including investment management and administrative fees paid to the investment advisers or sponsors of such funds and/or their affiliates. These fees are in addition to the management fees we charge.

We do not receive any fees from the mutual funds in which we invest client assets or otherwise for the sale of securities or other investment products.

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

Not applicable; we do not charge performance-based fees.

#### **Item 7            Types of Clients**

In general, we provide our services to individuals (primarily high net worth individuals), pension and profit sharing plans and charitable organizations.

MAM imposes a minimum requirement for assets under management of \$1,000,000. This minimum is sometimes waived depending on the circumstances. The minimum need not be maintained as a condition of continued management.

In addition, each client is required to enter into MAM's investment management agreement and the client must establish a brokerage account in the client's own name.

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

We use various methods of analysis and investment strategies in formulating investment advice and managing assets, as described below. You should be aware that investing in securities always involves the risk of loss, including possible risk of loss of your entire investment. You should be prepared to bear such a loss.

We continuously monitor the national and global economic landscape to determine when and if indicators support changes to approved investments and the purchase or sale of specific types of investments for client portfolios. Some of the indicators we may use in our decision-making process include, among others, investor sentiment, money supply, consumer confidence, industrial production, consumption and distribution, inventories and orders, construction, inflation, employment, interest rates, monetary policy and political considerations.

We use a wide range of analysis in making investment decisions on behalf of our clients, including (in order of importance):

- Fundamental analysis, which entails attempting to measure a security's intrinsic value by examining related economic, financial and other qualitative and quantitative factors, including company financial data, as opposed to market behavior;
- Technical analysis, which is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume, to predict future trends in that market; and
- Charting analysis, which involves studying an individual stock's price movements in relation to analogous stocks.

A risk of fundamental analysis is that since cash flow numbers are derived in part from reported earnings, any misstatement in earnings by the issuing company will result in a similarly inaccurate cash flow assessment. A risk of technical analysis is that it is solely backward-looking and as such does not account for recent events, such as recent economic events that bring swift changes to the economic climate and trading markets or an accounting restatement by the issuing company, that are likely to impact future security prices. A risk of charting analysis is that price movements among stocks in similar industries may not correlate to one another.

We use various sources of information in formulating our investment strategy, including financial newspapers and magazines, inspections of corporate activities,

research materials prepared by outside parties, corporate ratings services, timing services, company press releases and a company's annual reports, prospectuses and SEC filings to the extent such information is available.

Our investment strategies include long-term purchases (i.e. securities held at least a year), short-term purchases (i.e. securities sold within a year) and, occasionally, trading (i.e. securities sold within 30 days). In general, client accounts may have asset allocations that range from 100% to 0% equities with the balance in fixed income securities and/or cash equivalents. In general (i) equity investments will include exchange-listed securities, mutual funds, exchange-traded funds, securities traded over-the-counter, American Depositary Receipts ("ADRs") and limited partnerships, but will not include options, futures, foreign securities (other than ADRs), insurance or annuities or low priced stocks (under \$5 at the time of purchase) and (ii) fixed income securities will include municipal and corporate bonds rated "A" or better by Standard & Poor's and/or Moody's, bond mutual funds, bond exchange-traded funds and U.S. Government securities. Portfolio weightings between assets and market sectors will be determined by your individual needs and investment strategy.

As noted above, investment in securities involves risks that you should be prepared to bear. For example, investing in equity securities is subject to price fluctuation and general market risk.

Fixed income investing involves credit risk, interest rate risk (when interest rates rise, bond/fund prices generally fall), and inflation risks (the interest rate on the investment remains fixed even if inflationary pressures cause interest rates in general to rise).

Investments in ADRs entail special risks (such as currency fluctuations and political factors) and may have higher expenses and volatility.

**Item 9            Disciplinary Information**

None.

**Item 10           Other Financial Industry Activities and Affiliations**

None.

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

We have adopted a Code of Ethics that describes the ethical standards and standards of business conduct that apply to our "Supervised Persons." The Code of Ethics defines "Supervised Persons" as any director or officer (or other person occupying a similar status or performing similar functions) or employee of MAM, or other person who provides investment advice on behalf of MAM and is subject to the supervision and control of MAM. Currently, our only Supervised Person is Barbara Doty.

Ms. Doty, as our compliance officer, is responsible for enforcing the Code of Ethics. As such, Ms. Doty is required, among other things, to keep various records relating to the Code of Ethics.

The Code of Ethics includes, among other things, provisions: (i) addressing conflicts of interest between Supervised Persons and MAM and/or MAM's clients; (ii) prohibiting Supervised Persons from engaging in unfair competition; and (iii) protecting material nonpublic information. The Code of Ethics also includes provisions requiring that we retain records relating to Ms. Doty's personal trading activities.

Upon request, we will provide a copy of our Code of Ethics to any client or prospective client.

We may recommend that two or more clients buy or sell the same securities or investment products, or that one or more clients buy and one or more clients sell the same securities or investment products. Except as described in the prior sentence, we and persons affiliated with us do not recommend to clients or buy or sell for client accounts any securities in which we or any of our affiliates has a material financial interest. Also, Barbara Doty may buy or sell for herself securities that she also recommends to clients. In connection with such activities, we are subject to our general fiduciary duty of care and loyalty to our clients.

We have adopted an insider trading policy so that neither MAM nor Ms. Doty trade on any material non-public information. Further, the Code of Ethics is designed to assure that Ms. Doty's personal securities transactions, activities and interests will not interfere with her (i) making decisions in the best interests of our advisory clients and (ii) implementing such decisions while, at the same time, allowing Ms. Doty to invest for her own account. With respect to her personal trading, on any trading day, Ms. Doty will generally only buy and/or sell securities in which clients hold a position after all client purchases and/or sales have been made. However, because Ms. Doty may invest in the same securities as clients, there is a possibility that Ms. Doty could benefit from market activity by a client in a security held by Ms. Doty.

## **Item 12 Brokerage Practices**

### General.

As noted above, each client must establish a brokerage account in the client's own name. In general, if asked to recommend a broker-dealer/custodian for execution and custodial services, we will recommend that clients use either (i) Merrill Lynch, a nationally recognized full service broker-dealer where many of our clients maintain their accounts, or (ii) Fidelity Investments as a discount broker-dealer/custodian option. Generally, we will briefly explain the basic differences in the services offered by each of Merrill Lynch and Fidelity Investments and the costs thereof, as well as the advantages and disadvantages of using a full service broker dealer/custodian compared to a discount broker-dealer/custodian. Each client selects the broker-dealer/custodian they believe



works best for them, although a majority of our clients maintain their accounts at Merrill Lynch.

Merrill Lynch will provide, among other things, securities transaction executions, clearance and settlement and collection of dividends and interest for the clients. For these services, Merrill Lynch will charge clients a commission or other type of fee for transactions executed in the clients' accounts. In general, we receive research services from Merrill Lynch (see discussion of "Research and other 'Soft Dollar Benefits'" below).

Barbara Doty's brother is a Chartered Financial Analyst, registered representative and First Vice President – Investments at Merrill Lynch and, with respect to our current clients with accounts at Merrill Lynch, is the named broker on the clients' accounts. As a result, Ms. Doty's brother may benefit from trading in our clients' accounts that have brokerage accounts at Merrill Lynch.

As with Merrill Lynch, Fidelity Investments will provide, among other things, securities transaction executions, clearance and settlement and collection of dividends and interest for the clients. For these services, Fidelity Investments will charge clients a commission or other type of fee for transactions executed in the clients' accounts.

In recommending Merrill Lynch and Fidelity Investments, we do not consider whether we will receive any client referrals from Merrill Lynch, Fidelity Investments, or any other person.

#### Factors Considered in Selecting Brokers and Determining the Reasonableness of Commissions

When recommending a particular broker-dealer to clients at which to establish an account and direct securities transactions to be executed through, we have an obligation to select brokers who effect trades on behalf of our clients under the standard of "best execution." Best execution does not mean lowest brokerage commission. Rather, "best execution" generally means a duty to execute securities transactions so that a client's total cost or proceeds in each transaction are the most favorable under the circumstances. With respect to best execution, the SEC has stated:

"As a fiduciary, a money manager has an obligation to obtain "best execution" of clients' transactions under the circumstances of the particular transaction. The money manager must execute securities transactions for clients in such a manner that the clients' total cost or proceeds in each transaction is the most favorable under the circumstances. A money manager should consider the full range and quality of a broker's services in placing brokerage including, among other things, the value of research provided as well as execution capability, commission rate, financial responsibility, and responsiveness to the money manager. The [SEC] wishes to remind money managers that the determinative factor is not the lowest possible commission cost but

whether the transaction represents the best qualitative execution for the managed account.”

As indicated above, each MAM client must establish a brokerage account in his or her own name, and we will, if asked, generally recommend a specific full service broker-dealer (Merrill Lynch) and discount broker-dealer (Fidelity Investments) to the client. However, the client may establish a brokerage account, and enter into a brokerage agreement with, any broker-dealer that the client selects (see discussion of “Client Directed Brokerage” below). The full service broker-dealer will perform and/or provide the following services for our clients (this list is not meant to be exhaustive): (1) custody; (2) trade execution; (3) account statement preparation; (4) recording of dividends and interest; (5) tax reporting; (6) check writing; and (7) funds transfer. Merrill Lynch does not currently charge our clients for any custodial fees and we have negotiated a fee schedule with Merrill Lynch so that our clients pay less than Merrill Lynch’s standard fees for a number of brokerage services. Depending upon the range of services, some MAM clients may pay a small annual fee to Merrill Lynch (generally not more than \$150 per year).

We recommend Merrill Lynch as a full service broker-dealer/custodian because of the reputation and financial stability of the firm, free custody arrangement, the negotiated fee schedule, the quality of the broker-dealer’s execution, the broker-dealer’s access to markets, the broker-dealer’s expertise in bond transactions, the quality of the service historically provided to our clients, Ms. Doty’s knowledge of the firm and its personnel (including her brother) and the fact that we obtain research services as a result of the clients’ accounts being held by the broker-dealer (see further discussion on this practice below).

We recommend Fidelity Investments as a discount broker-dealer/custodian based on our prior experience with Fidelity Investments as well as its financial strength, reputation, execution capabilities, pricing, research and service.

We have not negotiated with Fidelity Investments for any lower fees for our clients. As a result, clients will pay Fidelity Investments the rates they negotiate with Fidelity Investments.

MAM has structured its business in this manner (recommending clients to a specific full service and discount broker-dealer) because, with respect to our recommendation of a full service broker-dealer, our clients often request the ancillary services that only a full service broker-dealer can provide. Also, recommending a limited number of broker-dealers reduces the transaction and operational costs that we would incur if we were to effect a single client’s transactions through multiple brokers or if we were to have arrangements with a longer list of brokers. We believe that such costs outweigh any benefits to clients. Among other reasons, we believe that if we were to effect a single client’s transactions through multiple brokers or if we were to have arrangements with a longer list of brokers, Ms. Doty would be required to spend additional time away from account management as she negotiates with brokers and/or seeks the lowest possible cost for each trade.

Because of the manner in which we generally effect client transactions (through a full service broker), a client may pay more in brokerage commissions than it would if we were to recommend that the client establish its account at a non-full service broker-dealer or if we were to establish a separate custodial account for each client (for which the client generally would be required to pay an additional fee) and seek to obtain the lowest possible brokerage commission on each trade.

From time to time (generally annually), we will review the services and execution provided by Merrill Lynch and Fidelity Investments and will compare such services and execution to other full service broker-dealers and discount broker-dealers, respectively. If appropriate, we may recommend to clients that they should move their brokerage accounts, or consider recommending a different full service and/or discount broker-dealer to clients going forward, if warranted. To date, we have not recommended to any client that they should move their brokerage accounts from Merrill Lynch or Fidelity Investments.

MAM believes that the recommendation of Merrill Lynch and Fidelity Investments for brokerage and custodial services is consistent with its obligations to its clients. Each client should, however, evaluate this or any other recommendation to determine if the brokerage or custodial services provided and the commission charges and transaction rates charged are reasonable and meet the client's needs.

#### Research and other "Soft Dollar" Benefits

As indicated, we obtain research services as a result of our clients' accounts being held by Merrill Lynch and that is a factor in our decision to recommend to clients that they open brokerage accounts at Merrill Lynch. We also obtain research services from the brokerage firms other than Merrill Lynch where our clients that do not use Merrill Lynch have their accounts. Because Merrill Lynch (and the other brokerage firms) provide research services to its brokerage accounts, our clients may be paying higher commissions than they would pay if the brokerage firms did not provide that service. Research that we receive through our clients' accounts at the broker-dealers includes (i) advice as to the value of securities; the advisability of investing in, purchasing or selling securities; and the availability of securities or purchasers or sellers of securities and (ii) analysis and reports concerning issuers of securities, industries, securities, economic factors and trends, portfolio strategy and other relevant information relating to the making of investment decisions. Our clients are not required to effect any certain number of transactions to "pay" for the research provided; instead, the research is provided because of the account relationship.

Not all research is useful to us and the useful research does not benefit all accounts. However, since, in general, our clients are invested in a limited number of securities, most of the security specific research benefits most of the clients.

Our receipt of research from the broker-dealers where our clients have their accounts may be considered a "client commission arrangement." In general, a client commission arrangement exists whenever an adviser directly or indirectly receives

anything of value from a broker-dealer as a result of, or that is related to, the adviser's clients.

In connection with our receipt of research from Merrill Lynch or other brokerage firms used by our clients, we comply with the safe harbor created by Section 28(e) of the Securities Exchange Act of 1934 (the "Exchange Act"). In general, Section 28(e) permits an adviser to engage in client commission arrangements without violating its fiduciary duties to its clients if: (1) the products and services are provided by the broker effecting the transaction; (2) the products and services are provided to an adviser having investment discretion (MAM); (3) the products and services received comply with the description of "brokerage and research services" set forth in Section 28(e); (4) the products and services received provide the adviser (MAM) with lawful and appropriate assistance in the performance of the adviser's (MAM's) investment decision-making responsibilities; and (5) the adviser (MAM) makes a good faith determination that the amount of client commissions paid is reasonable in light of the value of the products and services provided by the broker.

These arrangements benefit us because but for these client commission arrangements, we would have to obtain the research that we obtain from Merrill Lynch and the other brokerage firms from some other source, and may be required to pay for such research. This may provide an incentive to us to recommend Merrill Lynch (or another brokerage firm) to clients based on our interest in receiving the research, although we believe that the procedures disclosed above regarding the factors we consider in broker selection mitigates this risk.

#### Client Directed Brokerage

MAM requires its clients to direct us to execute securities transactions through a specific broker-dealer, in particular, the broker-dealer at which clients maintain their brokerage account. In such client-directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer (although clients who retain Merrill Lynch will be able to take advantage of the waiver of custodial fees and negotiated fee schedule we have in place for our clients), and MAM will not seek better execution services or prices from other broker-dealers. Such "directed" brokerage arrangements may result in MAM being unable to achieve the most favorable execution of client transactions and may cost our clients more money. In this regard, you should be aware that "directed" brokerage may result in higher commissions, greater spreads and/or less favorable net prices than the commissions, spreads and/or net prices than you might have paid or received if MAM had a policy where MAM selected the broker (which selection may have resulted in brokerage rates negotiated by MAM that were more favorable than the rates of the client's "directed" broker). Further, if your selected broker-dealer is other than Merrill Lynch, you will not receive the brokerage rates we have negotiated.

MAM clients should be aware that not all advisers require their clients to direct brokerage.

## Allocation and Aggregation of Client Trades

When allocating orders among client accounts, we generally follow the following policy:

- (i) When possible, we seek to cause multiple client accounts to buy or sell a security at the same time and for the same price.
- (ii) If simultaneous execution is not possible, we will generally buy or sell small account positions before we buy or sell large account positions.
- (iii) With respect to trades pursuant to (ii) above, we will generally execute transactions in random order.

We conduct periodic reviews to insure that no accounts are being systematically disadvantaged with respect to order allocation.

Because client portfolios are individually managed, we do not “aggregate trades” or “bunch trades” for clients. In general, aggregating trades means that multiple client accounts would purchase or sell a security on an aggregate or combined basis, and the securities traded would then be allocated to the various clients’ accounts (generally based on a pre-determined allocation policy). Aggregating trades can result in lower commission costs because, in general, larger orders pay less in commissions than smaller orders.

In general, we do not aggregate trades because of the manner in which our clients’ accounts are structured. Specifically, each client has its own brokerage account through which securities are traded. In order to aggregate trades, we would need to establish a trading account, and then would have to allocate trades among the accounts. We do not believe such a structure is warranted for our client base. Among other things, we believe that the commission rates we have negotiated with the principal broker that has custody over our clients’ accounts adequately protects our clients and that our trading policy is generally one of low asset turnover so that commission expenses as a proportion of a client’s total assets are relatively small (in general, less than 0.5%). However, because we do not aggregate trades, clients may pay more in brokerage commissions than they would if we did aggregate trades.

While we do not aggregate trades, we will in general seek to effect all trades in the same security as part of a block order. Unlike with aggregate trades, block trades are executed through our clients’ individual trading accounts and not through a MAM master account. However, with block trades, all MAM accounts receive the same price for the security being bought or sold (though the commission on the trade may differ among our clients’ accounts). We believe that having all of our clients’ accounts allocated the same price, results in all clients being treated equitably.

### **Item 13          Review of Accounts**

Accounts are under continuous review for possible changes to the investments and to evaluate performance relative to an appropriate benchmark (generally, for equity accounts, the S&P 500 Total Return). Quarterly reviews are also conducted to evaluate quarterly performance. An account is also reviewed from time to time if there have been significant additions or withdrawals of capital or client circumstances have altered sufficiently to require a review of the allocation or the client's investment objectives. Barbara Doty conducts all reviews.

Clients receive quarterly performance reports commencing with the first full quarter following inception. Reports include an indication of the asset allocation, security selection, cost basis and current value and performance of the account. We may also discuss any transactions that occurred during the period. We also include capital gains/losses reports as part of the quarterly performance reports. We may provide additional reports when appropriate. All reports are provided in written form.

We also send each client a copy of the quarterly invoice that we present to the client's custodian (broker-dealer) for the payment of our management fees. Each invoice states the amount of the fee for the quarter, the value of client's assets on which the fee is based, and the manner in which the fee was calculated.

Each client also receives monthly reports directly from the custodian (broker-dealer) that, at a minimum, identify the amount of funds and securities in the client's account at the end of the period and set forth all transactions in the account during the period.

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

Neither MAM nor Barbara Doty receives any economic benefit from someone who is not a client for our providing investment advice or other advisory services to our clients. We do not directly or indirectly compensate any third party for client referrals.

### **Item 15          Custody**

Under SEC regulations, if you maintain your brokerage account at Merrill Lynch or BNY Mellon Pershing, we will generally be deemed to have custody of your assets because we will have you authorize your broker-dealer to pay us our quarterly management fees directly from your account. Whether or not you maintain your brokerage account at Merrill Lynch or BNY Mellon Pershing, your custodian maintains actual custody of your assets. You will receive account statements directly from the custodian at least quarterly. They will be sent to the email or postal mailing address you provided to your custodian/broker-dealer. You should carefully review those statements promptly when you receive them.

In addition to the statements and transaction confirmations you receive from your custodian, we will provide you with written quarterly reports summarizing account performance, balances and holdings.

We urge you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary slightly from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities or dates of recognition of dividend and/or interest payments.

#### **Item 16 Investment Discretion**

We usually receive written discretionary authority from the client at the outset of an advisory relationship to select the securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment strategy, limitations and restrictions of the client. Clients may impose limitations on our discretionary authority as discussed above in Item 4 – “Advisory Business.”

#### **Item 17 Voting Client Securities**

We have adopted policies and procedures that are used to vote proxies relating to client securities. These policies and procedures are applicable if the underlying advisory agreement entered into with a client provides, either expressly or by implication, that MAM shall be responsible for exercising voting authority with respect to the securities of the client, and are designed to ensure that client securities are voted in an appropriate manner and serve to complement our investment policies and procedures. Barbara Doty is responsible for ensuring that each proxy is voted in the best economic interests of our clients.

Under these policies and procedures, we will vote proxies related to securities held by a client in a manner that is in the best interest of the client. In general, proxy votes will be cast in favor of proposals that: (i) maintain or strengthen the shared interests of shareholders and management; (ii) increase shareholder value; (iii) maintain or increase shareholder influence over the issuer’s board of directors and management; and (iv) maintain or increase the rights of shareholders. Proxy votes generally will be cast against proposals having the opposite effect. With respect to exercising voting authority over debt securities, we will vote such securities in a manner that we believe is in the long-term best interests of our clients.

In exercising voting discretion, MAM and Ms. Doty will seek to avoid any direct or indirect conflict of interest raised by such voting decision. The policies and procedures set forth procedures with respect to how Ms. Doty will vote client securities. Ms. Doty will make a determination if any substantive aspect or foreseeable result of the subject matter to be voted upon raises an actual or potential conflict of interest, and Ms. Doty will document and approve any such matter. In the event of an actual or potential conflict, we will: (i) vote based on predetermined guidelines that we may establish and which will be designed to further the interests of clients; (ii) notify the client in sufficient detail and with sufficient time to reasonably inform the client of the actual or potential conflict involved and request the client’s consent to our vote recommendation; or (iii) vote based on the recommendations of an independent third party we engage.

A client who has granted us proxy voting authority may direct our vote in a particular situation by providing written instructions to such effect.

A client may request a copy of the policies and procedures governing our proxy voting, or specific information with respect to how we voted securities held by the client, by sending a written request to us at the address listed on the cover page of this Brochure. Requests must be sent by certified mail, return receipt requested, or by a recognized overnight delivery service (e.g., Federal Express).

Securities Class Actions, Proofs of Claim and Related Matters. Unless MAM expressly agrees in writing with a client, MAM will not advise or take any action on behalf of a client in any legal proceedings, including bankruptcies and class actions, involving securities held or formerly held in the client's account or the issuers of those securities.

**Item 18      Financial Information**

A.      We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. If we did, we would be required to provide you with an audited balance sheet.

B.      We do not have any financial condition that is reasonably likely to impair our ability to meet our contractual commitments to clients.

C.      We have not been the subject of a bankruptcy petition at any time during the past ten years.

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

Not Applicable.



Brochure Supplement  
For  
Barbara E. Doty

MAJORITY ASSET MANAGEMENT, INC.

3330 Noyac Road  
Building E, Suite 6  
Sag Harbor, NY 11963  
(631) 725-7755

**This brochure supplement provides information about Barbara E. Doty that supplements the Majority Asset Management, Inc. brochure. You should have received a copy of that Brochure. Please contact Barbara E. Doty if you did not receive Majority Asset Management's Brochure or if you have any questions about the contents of this Brochure Supplement.**

The Date of this Brochure Supplement is March 26, 2018

**Item 2 Educational Background and Business Experience**

Barbara E. Doty is the only employee of MAM, and as its President and Chief Investment Officer, is solely responsible for investment advice given to clients. Ms. Doty was born in 1948 and is a graduate of Rosemont College with a Bachelor of Arts degree. She also graduated from Columbia University Graduate School of Business with a Master's Degree in Business Administration in 1971. From 1989 through May 1992, Ms. Doty was a Senior Vice President of Kidder Peabody & Co. Inc. and of Kidder Peabody Asset Management. Ms. Doty was also on the Board of Directors of Kidder Peabody Asset Management. Prior to joining Kidder Peabody, Ms. Doty was a Principal with Alex Brown & Sons and a member of the firm's Investment Committee. Since 1992, Ms. Doty has operated MAM.

Ms. Doty is a Chartered Financial Analyst (issued by the CFA Institute). To become a Chartered Financial Analyst, a person must (i) pass three sequential, six-hour examinations; (ii) have at least four years of qualified professional investment experience; (iii) become a member of the CFA Institute; and (iv) commit to abide by, and annually reaffirm, the person's adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

**Item 3 Disciplinary Information**

None.

**Item 4 Other Business Activities**

None.

**Item 5 Additional Compensation**

None.

**Item 6 Supervision**

Majority Asset Management, Inc. has only one employee. As a result of the size and structure of the firm – that Ms. Doty is the only employee – she does not have a supervisor.

**Item 7 Requirements for State-Registered Advisers**

Not applicable.