



5C CAPITAL MANAGEMENT, LLC

**5C Capital Management, LLC**

**April 30, 2018**

**FORM ADV PART 2A  
BROCHURE**

**This brochure provides information about the qualifications and business practices of 5C Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us at (347) 331-0648. 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 5C Capital Management, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for 5C Capital Management, LLC is 284213.**

**5C Capital Management, 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

Registered Investment Advisers are required to amend their Form ADV annually, within 90 days after the end of their fiscal year; or whenever certain information contained in the document becomes inaccurate or materially inaccurate.

### Form ADV Part 2

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.

5C Capital Management, LLC will notify clients of material changes at least annually. However, where we determine that an interim notification is either meaningful or required, we will notify our clients promptly. In either case, such notification will be provided to clients in a separate document.

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## Item 4 Advisory Business

### Description of Services and Fees

5C Capital Management, LLC ("5CCM") is a registered investment adviser based in Woodcliff Lake, New Jersey and White Plains, New York. We are organized as a limited liability company under the laws of the State of Delaware.

5CCM offers customized investment advisory services:

- Financial Planning and Consulting;
- Investment Management; and
- Asset Allocation

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service provided by 5CCM and how these services are tailored to the requirements of our individual clients. As used in this brochure, the words "we", "our" and "us" refer to 5C Capital Management, LLC and the words "you", "your" and "client" refer to you as either a client or prospective client of our firm. Note you may see the term "Associated Person" throughout this brochure. As used in this brochure, our Associated Persons are 5CCM's officers, employees and all individuals providing investment advice on behalf of our firm.

### Financial Planning

Our clients have diverse requirements. We focus on their achievement of current and future goals and where appropriate, the needs of subsequent generations. 5CCM provides comprehensive services including but not limited to: the management of non-retirement and retirement assets, Trust management and entity planning, liquid wealth and business transfers, charitable giving, tax and estate planning.

We work with clients to establish an investment policy which includes; time horizon during which their investment capital will be most needed, determine relevant contribution rates and timing thereof and provide timely analysis of financial markets and economic trends that may affect their investments. We review and recommend strategies to clients with charitable interests to meet their philanthropic goals and obtain related benefits.

**Most importantly, we are Fiduciaries to our clients; their interests come first. Our investment and planning principles are rooted in the belief that trust in our stewardship should result in long-term investment returns commensurate with risk assumed and our recommendations are driven by independent research and process.**

We offer financial planning and consulting advisory services based upon analysis of your specific requirements. These services include review of:

- 1) Investment portfolio and tax efficient process for the implementation of recommendations;
- 2) Net Worth;
- 3) Cash Flow;
- 4) Individual and estate tax;
- 5) Life, Disability, and Medical/Group Benefits insurance;
- 6) Retirement income and requirements;

- 7) Education expense; and
- 8) Estate Planning.

Financial plans are based on your particular circumstance when the plan is prepared and upon the financial information provided to us. The client should promptly notify us if their financial situation, goals, objectives and needs change.

We may provide advice on non-investment related matters such as budgeting, options/executive accumulation plans, mortgage refinancing, employment separation, pension plan/Social Security/Medicare elections and inflation-hedging.

We charge an hourly fee of \$350 - \$400 for a financial planner's services and \$150 per hour for planning support staff services. Depending on a project's size and scope, our fee may be separately negotiated. We may reduce our financial planning and or consulting fees if you engage 5CCM for asset management and or related advisory services.

Our fees are due the first day of the month following the performance of services and are not refundable.

You may terminate the financial planning agreement by providing written notice to our firm. You will incur a pro rata charge for services rendered prior to the agreement's termination.

### **Investment Management**

We offer discretionary investment management services. Accumulating savings for short-term goals is often as important as long-term planning. Whether starting a new business venture, educating a child or building your "rainy day fund" we seek to provide you with an effective investment strategy to achieve these goals.

Our investment process begins with a detailed review of your specific circumstance and goals. We integrate near and long-term investment goals, risk tolerance, tax and planning considerations, when designing and implementing a cost effective, institutionally custodied portfolio.

We continuously research and track performance of our current investment strategies. In addition, we research and monitor numerous investment strategies not currently utilized. These strategies provide comparative data to our portfolio and may become components of our portfolio if we conclude that risk adjusted, cost effective benefits warrant their inclusion.

### **Asset Allocation**

We provide periodic asset allocation review; wherein portfolios are rebalanced on at least a calendar basis and more frequently as circumstances require. We are typically granted discretionary authority to review accounts rebalance them without your prior consent.

If we enter into a **Non-Discretionary** arrangement with you, we will make recommendations, in accordance with your stated financial objectives and will obtain your consent prior to rebalancing the account. **You are entitled to accept or reject our recommendations at all times and are solely responsible for implementing recommended changes to your account if you have not granted us discretion over your investment account.**

**Either party may terminate the client agreement at any time. You will incur a pro rata charge for**

**services rendered prior to such termination.**

### **Types of Investments and Philosophy**

Our focus on asset allocation, asset location and portfolio structure is core to the investment services we provide to our clients. 5CCM is an independent Registered Investment Advisor; as such it is not required to invest in any specific security, mutual fund or proprietary offering. This flexibility enables us to choose from a wide range of unconstrained investments that we believe will meet our client's objectives.

We initially construct a detailed profile of our client's financial situation. Based on the information provided by the client and our independent research, we determine a range of investment returns that will allow the client to meet their stated goals. We construct our portfolios with a carefully selected mix of institutional mutual funds, separately managed accounts, exchange traded funds and notes (ETFs and ETNs) and individual securities (e.g. individual bonds and equities). Prior to making any investment of client capital, the risk and projected return for each strategy must be approved by the client.

We manage risk through investment in low-correlated asset classes; our goal is to buffer client portfolios from major downward moves in a single asset class. We rebalance portfolios on a discretionary basis in order to capture investment and tax benefits.

You may request that we refrain from investing in particular securities or certain types of securities. Such request must be provided to 5CCM in writing.

### **Assets Under Management**

As of December 31, 2017, Assets Under Management were \$242,518,000.

## Item 5 Fees and Compensation

### INVESTMENT ADVISORY AND WEALTH MANAGEMENT FEE RATES

#### 5CCM Standard Fee Schedule:

<b>Assets Under Management Annual Fee</b>	<b>Equity and Balanced Account Strategies:</b>	<b>Fixed Income Account Strategies: Annual Fee</b>
Initial \$2,000,000	1.00%	0.65%
Next \$3,000,000	0.75%	0.50%
Next \$5,000,000	0.50%	0.35%
Additional amounts over \$10,000,000	0.35%	0.20%

#### 529 Plan Fee Schedule:

<b>Assets Under Management</b>	<b>Equity and Balanced Account Strategies: Annual Fee</b>	<b>Fixed Income Account Strategies: Annual Fee</b>
529 Plan Accounts	0.5%	0.5%

**Our Investment Advisory Fee Schedule may be modified by mutual agreement.**

### **Additional Fees and Expenses**

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 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 fees will generally include a management fee and other fund expenses. We endeavor to control fund expenses but may at any time own mutual funds and or ETF's that are not the least expensive within a particular asset class. 5CCM fully discloses Mutual Fund/ETF management and trading expenses to its clients.

You may also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian.

During the asset transfer process, 5CCM may receive and custody on behalf of a client, mutual funds or other investments previously owned by a client(s) that are subject to commissions, loads or other expenses (e.g. 12b-1 fees). 5CCM does not purchase such securities or receive compensation from any mutual fund. Therefore, it is our policy to sell these investments and reallocate the proceeds in accordance with the client's investment and financial plan. However, 5CCM will consider tax, estate planning and other factors prior to selling a particular position.

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. For information on our brokerage practices,

please refer to the "Brokerage Practices" section of this brochure.

### **Compensation for the Sale of Other Investment Products**

**No commission compensation is received for any investment product recommended.**

We may receive finder's fees or commissions on insurance product implementation. You may implement any insurance recommendation through an agent of your choice.

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

We do not accept performance-based fees or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described in the *Investment Advisory Fee section* above and **are not** based on an advisory account's capital gains and/or capital appreciation.

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

We offer investment advisory services to individuals, trusts, estates, charitable organizations, corporations and corporate retirement plans.

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

#### **Our Methods of Analysis and Investment Strategies**

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

Each strategy and investment is analyzed and reviewed daily. Prior to inclusion (purchase for a client) of a new security, fund or portfolio the following due diligence is completed:

1. Management meetings and interviews;
2. Analysis of ownership and management structure of a particular fund or company;
3. Investment returns analysis vs. benchmarks (both short and long term);
4. Modern Portfolio Theory "MPT" statistical review (Betas, Correlation Coefficient, R-Square, Covariance, Sharpe Ratio, Alpha, Information Ratio);
5. Expense considerations; and
6. Liquidity assessment.

In addition, we rely on the following research techniques in evaluating investments:

- Charting Analysis - involves the gathering and processing of price and volume information for a particular security. This price and volume information is analyzed



using mathematical equations. The resulting data is then applied to graphing charts, which is used to predict future price movements based on price patterns and trends.

- Fundamental Analysis – the analysis of individual market classes and their anticipated growth potential compared to other market classes within the existing economic environment. Economic and market data is gathered daily, weekly and monthly from many sources and compiled for analysis and comparison to discern trends, potential market tops and bottoms and opportunities within the constantly changing market environment to find opportunities for higher than normal returns.
- Technical Analysis - involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks.
- 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 - As a rule we do not make short term purchases (generally less than one year) for the specific purpose of taking advantage of expected short term price fluctuations. Although we seek to limit this result, short term holding period(s) may result from portfolio reallocation due to extreme market conditions.  
**The limitation on short term purchases and trading may be modified by express, mutual agreement between the client and 5CCM.**

Our investment strategies and advice may vary depending upon each client's specific financial situation. We determine appropriate investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your specific restrictions and guidelines may also affect the composition of your portfolio. However, the majority of our clients have come to us for our unique low risk investment approach suited to retirement and income generating portfolios.

#### **Risks Associated with Methods of Analysis**

Charting and Technical Analysis - The risk of using technical analysis is that charts may not accurately predict future price movements. The current price of a particular security may reflect all the information known about that security. However, day to day changes in the market price of any security may follow random patterns and not be predictable with any reliable degree of accuracy. Therefore, we only use technical analysis in conjunction with other analytical tools.

Fundamental Analysis - The risk of using fundamental analysis is that the data incorporated may be incorrect, resulting in flawed analysis. If market prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance. As with Charting/Technical Analysis, this process is only used in conjunction with other analytical tools.

Cyclical Analysis - Economic/business cycles are not predictable and may have many fluctuations between long term expansions and contractions. The lengths of economic cycles are difficult to predict with accuracy. Therefore, the risk of cyclical analysis is the difficulty in predicting economic trends and associated changes in market class returns affected by these trends. Like other types of analysis, we use this methodology in conjunction with them.

### **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 Securities**

We primarily recommend Mutual Funds, Exchange Traded Funds, individual equity and fixed income securities. However, we may recommend other investment vehicles based on client's specific requirements and risk tolerance. Each type of security has its own unique set of risks – it would be difficult if not impossible to list here all of the specific risks of associated with every investment. Even within the same type of investment, risks may vary widely. Generally, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

Mutual funds and exchange traded funds (ETF's) 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 has a manager (or team of managers) 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 stocks and their price can fluctuate throughout the day. The returns on mutual funds and ETFs are generally reduced by the costs incurred to manage the funds. Some mutual funds are "no load" and charge no fee to buy or sell the fund shares. Other types of mutual funds do charge such fees, these will reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow new investors and investment capital, which may dilute other investors' interests. **5CCM does not utilize "load" mutual funds or any investment that pays us a commission.**

### **Item 9 Disciplinary Information**

Neither our firm nor any of our Associated Persons has any reportable disciplinary information.

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

As part of our financial planning process we may provide insurance advice. If the client chooses to implement the coverage through one of our licensed insurance agents, the agent may earn

commission-based compensation for selling insurance products, including Life Insurance, Disability or Long-Term Care. Insurance commissions earned by this person are separate from our advisory fees. Please see the "Fees and Compensation" section in this brochure for more information on the compensation received by insurance agents who are affiliated with our firm. This is not a focus of our firm, but we disclose this information to all of our clients.

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

### **Description of Our Code of Ethics**

5C Capital Management, LLC, the Adviser, has adopted a Code of Ethics and Professional Conduct expressing the firm's commitment to ethical conduct. The Adviser's code of ethics describes the firm's fiduciary duties and responsibilities to clients and its responsibility to supervise and continually monitor the personal transactions of "supervised persons" (e.g. employees and affiliated personnel) with access to client information. It is the express policy of the Adviser that no person employed by the Adviser shall prefer his or her own interest to that of an Advisory Client or make personal investment decisions based upon the investment decisions of Advisory Clients.

In compliance with 5CCM's Code of Ethics, its Chief Compliance Officer reviews all holdings and accounts of anyone associated with this advisory practice or with access to advisory recommendations. This review is conducted on a quarterly and annual basis to ensure client's interests are placed first.

The Adviser requires that all individuals performing duties in the Advisory business act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. The Adviser's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information in transactions or advice.

5C Capital Management, LLC is committed to ethical and professional conduct as an investment adviser. The main points of the 5CCM Code of Ethics and Professional Conduct are summarized below:

- To act in a professional and ethical manner at all times;
- To act with independence and objectivity;
- To act in the best interests of our clients and not allow personal interests or those of 5CCM to take precedence over the interest of our clients;
- To act with due skill, competence, care and diligence in conducting our business and all transactions and trading activities;
- To preserve client confidentiality and privacy at all times;
- To respect the intellectual property rights of others;
- To prevent and/or fully disclose to clients, any perceived or real conflicts of interest;
- To promote honesty, integrity and trust in all communications with clients, employees and business associates;
- To promote full, fair, accurate and understandable disclosure in reports, documents and client communications that 5CCM creates, submits and disseminates;
- To protect and promote the integrity of the market; and

- To promote compliance with applicable laws, rules and regulations

The adviser will provide a complete copy of its Code of Ethics and Professional Conduct to any Client or Prospect upon request to the Chief Compliance Officer at Advisor's principal address.

## Item 12 Brokerage Practices

We generally recommend that clients establish brokerage accounts with a qualified custodian to maintain custody of your assets and to effect trades for your accounts. We are independently owned and operated and not affiliated with any qualified custodian. We maintain custodial relationships with several unaffiliated, independent, registered broker-dealers, such as the Schwab Institutional division of Charles Schwab and Co., Inc. ("Schwab Institutional"), a FINRA-registered broker-dealer, member SIPC, TIAA-CREF, Vanguard Securities, Inc. ("Vanguard") and RBC Capital Markets, LLC collectively "Qualified Custodians." While you are free to choose any broker-dealer/custodian or other service provider, we typically recommend that you establish an account with a firm with which we have an existing relationship. When recommending a Qualified Custodian, we will attempt to minimize your total cost for all brokerage services.

5CCM may recommend that clients establish brokerage accounts with the Schwab Advisor Services (formerly called Schwab Institutional) division of Charles Schwab and Co., Inc. (Schwab), a registered broker-dealer, Member SIPC/NYSE, to maintain custody of clients' assets and to effect trades for their accounts. Schwab Institutional provides 5CCM with access to its institutional trading and operational services, Schwab Institutional services include research, brokerage, custody, access to mutual funds and other investments that are otherwise available only to institutional investors or would require a significantly higher minimum initial investment. Schwab Institutional also makes available to 5CCM other products and services that benefit 5CCM but may not benefit its clients' accounts. Some of these other products and services assist 5CCM in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of 5CCM fees from its clients' accounts and assist with back-office support, record keeping and client reporting. Many of these services generally may be used to service all or a substantial number of 5CCM's accounts, including accounts not maintained at Schwab Institutional.

### Products and Services Available to Us from Schwab

Schwab Advisor Services is Schwab's business division which serves independent investment advisory firms such as 5CCM. They provide us and our clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of these services help us manage or administer our clients' accounts while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us as long as we keep a total of at least \$10 million of our clients' assets in accounts at Schwab. Here is a more detailed description of Schwab's support services

Services that Benefit You. Schwab's institutional brokerage services include access to a broad range

of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

Services that May Not Directly Benefit You. Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our client's accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our client's account, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements);
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- Provide pricing and other market data
- Facilitate payment of our fees from our client's accounts; and
- Assist with back-office functions, recordkeeping and client reporting.

Services that Generally Benefit Only Us. Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events;
- Technology, compliance, legal, and business consulting;
- Publications and conferences on practice management and business succession; and
- Access to employee benefits providers, human capital consultants and insurance providers.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third-party's fees. Schwab may also provide us with other benefits such as occasional business entertainment of our personnel.

### **Our Interest in Schwab's Services**

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services as long as we maintain at least \$10 million of client assets in accounts at Schwab. The receipt of these services from Schwab is not contingent upon us committing any specific amount of business to Schwab in trading commissions or custodied assets. The \$10 million minimum may give us an incentive to recommend that you maintain your account with Schwab based on our interest in receiving Schwab's services that benefit our business, rather than based on your interest in receiving the best value in custody services and possibly more favorable execution of your transactions. This represents a potential conflict of interest. However, we believe that our selection of Schwab as custodian and broker is in the best interest of our clients. This conclusion is supported by our continuous analysis of services provided by custodians that support the independent Registered Investment Advisor industry. We believe that the scope, quality and pricing of Schwab's services to both 5CCM and our clients, represents a fair

and effective overall cost structure for advisory services. Therefore, we do not believe that maintaining at least \$10 million of our assets at Schwab in order to avoid paying Schwab's quarterly service fees presents a material conflict of interest.

5CCM may also recommend that clients establish brokerage accounts with RBC Advisor Services, a division of RBC Capital Markets LLC, a full-service custody provider for registered investment advisors. RBC Advisor Services offers a sophisticated wealth management and brokerage platform to serve the complex needs of high net worth clients. These services include and are not limited to foreign currency conversion and trading in 14 different currencies.

In suggesting a Qualified Custodian, we will endeavor to select those firms that we believe provide quality services with competitive transaction fees. The reasonableness of transaction fees is based on several factors, including the Qualified Custodian's ability to provide professional services, competitive transaction fees, volume discounts, execution price negotiations, reputation, experience, and financial stability of the Qualified Custodian and the quality of service rendered by the Qualified Custodian in other transactions.

You may utilize the Qualified Custodian of your choice and have no obligation to purchase or sell securities through any broker we recommend. However, we reserve the right to reject your account if you wish to direct brokerage outside one of the Qualified Custodians recommended by us since such arrangement may be too inefficient for us to effectively manage your accounts. However, we are open to a special fee arrangement, if appropriate for you, to accommodate your specific needs.

### **Directed Brokerage**

We routinely recommend that you direct our firm to execute transactions through one of the Qualified Custodians with whom we have an arrangement. As such, we may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage commissions

than you might otherwise pay through another broker-dealer that offers the same types of services. Not all advisers require their clients to direct brokerage.

### **Block Trades**

We may combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares 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 management fees. 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 a proportionate share of all transaction costs. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts. However, they will not be given preferential treatment.

### **Cross Trading Policy and Procedure**

There are many situations where a client must sell a fixed income position in order to raise liquid funds. Concurrently, other 5CCM clients (non-family, non-related to the seller) may have fixed income requirements similar in amount, security type and credit quality to the security being sold.

Rather than pay a full bid/ask spread on the sale and purchase transactions, we seek where



appropriate to match the security between two unrelated clients. We conduct the cross trades as follows:

- 1) The selling client must not be related to the purchasing client;
- 2) Pursuant to the purchasing client's financial planning and investment profile, the type of security (i.e. municipal bond, CD) and credit quality thereof must be appropriate for that client's portfolio;
- 3) The sale and purchase price(s) of the security must be independently established by the custodian's trading desk. For example, Schwab will seek three bids for each security in order to establish a fair market value that does not disproportionately favor either the seller or purchaser of the security; and
- 4) The fee charged by Schwab for conducting the cross sale and purchase must be fully disclosed and compare favorably to an open market sale and purchase of the same security.

### **Support and Technology Services Provided by Custodians ("Soft Dollars")**

5CCM may receive at reduced or no cost from its custodians, technology software, research data, financial planning or systems support, due to the custodial relationship that 5CCM maintains with these institutions. Such technology software, research data and financial planning or systems support directly benefit 5CCM but may or may not directly benefit clients. However, our investment advisory clients receive indirect benefits through enhanced reporting and related services. At all times, 5CCM recognizes its fiduciary and best execution duties to its clients and strives to put the interest of its clients first.

## **Item 13 Review of Accounts**

### *Managed Accounts*

Michael Sanders, Chief Investment Officer and Craig R. Marson, Director of Financial Planning, will monitor your accounts on a continuous basis to ensure that the advisory services provided to you and/or the portfolio allocation are consistent with the investment strategy established at the onset of our relationship and as subsequently altered to meet changing investment needs and objectives.

### *Asset Allocation Accounts*

Asset Allocation accounts are reviewed based on an agreed upon schedule (e.g. annually, semi-annually, or quarterly). This process does not include a comprehensive review of your financial plan. If the asset allocation accounts are non-discretionary, we will contact you for permission to rebalance according to changes that may be recommended and/or to provide you with instructions for you to rebalance the account.

### *Financial Plans*

The review of your financial plan is conducted on an as needed basis or upon your direct request. You are encouraged to meet with us at least annually to review plans, recommendations and progress. Significant changes to your financial situation may result in mutually agreed upon adjustments to your plan.

As part of your review, we may provide various summary and analytical reports of your portfolio. These reports include but are not limited to: a summary of all investments in each account, market values, yield information, market category, performance data, and pertinent

notes/recommendations. In addition, you will receive statements directly from your account custodian.

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

As disclosed under the "Fees and Compensation" section in this brochure, persons providing investment advice on behalf of our firm may be licensed insurance agents. For information on the conflicts of interest this presents, and how we address these conflicts, please refer to the "Fees and Compensation" section. This is not a focus of our firm, but you must know of its existence.

#### **Item 15 Custody**

As paying agent for our firm, your independent custodian will 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 and usually monthly. 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.

#### **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. Please refer to the "Advisory Business" section in this brochure 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). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.



## Item 17 Voting Client Securities

### Proxy Voting

Unless 5CCM agrees otherwise in writing, the client shall be responsible for: (a) directing the manner in which proxies solicited by issuers of securities you beneficially own shall be voted, and (b) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other types of events pertaining to the securities in the Account. You authorize and direct us to instruct the Custodian to forward to you copies of all proxies and shareholder communications relating to the Assets.

## Item 18 Financial Information

We are not required to provide financial information to our clients because we do not:

- Require the prepayment of more than \$1,200 in fees and six or more months in advance, or
- Take custody of client funds or securities, or
- Have a financial condition that is reasonably likely to impair our ability to meet our commitments to you.

## Management and Team

### Michael R. Sanders

Principal and Chief Investment Officer, 5C Capital Management, LLC

Born: 3/21/1969

Formal Education:

- Bachelors of Science in Business Administration State University of New York at Buffalo, Buffalo, NY, Graduated January 1992

- Masters of Business Administration in Finance Long Island University's CW Post Campus, Greenvale, NY, Graduated May 1995

Mr. Sanders currently possesses a Series 65 license and is a Trustee for the Byram Hills Board of Education.

Previous Business and Employment Background:

- Clark Dodge Asset Management, LLC – President and Chief Investment Officer
- Formerly the Chairman of the Byram Hills Education Foundation
- Managing Director - Gerstein Fisher and Associates
- Vice President - Stein Roe Investment Counsel
- Vice President - Seligman Advisors, Inc.
- Vice President - Investment Officer of J and W Seligman and Co., Inc.

**Craig R. Marson**

CCO, Principal and Director of Financial Planning, 5C Capital Management, LLC

Born: 09/16/1960

Formal Education: University of Albany, B.S. Accounting, 1982  
St. John's University School of Law, Juris Doctor, 1985

**Previous Business and Employment Background:**

- Clark Dodge Asset Management, LLC – Managing Director and Director of Financial Planning 2013-2017
- Stonegate Wealth Management (formerly Baron Financial Group) 2007-2013
- Gerstein Fisher and Associates 2005-2007
- American Economic Planning Group 2003-2005
- Sontag Advisory LLC 1997-2003.

Mr. Marson currently possesses Series 65 license and New York State Real Estate Brokers License

Certifications: N.Y. State Bar –1986  
N.Y. State Certified Public Accountant -1991

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

We are a federally registered investment adviser; therefore, we are not required to respond to this item.

**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. Please contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this 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. If a trade error results in a profit, you will keep the profit.

**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. We do not 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.