

# Hudson View Advisors, LLC

## Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Hudson View Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (914) 827-0051 or by email at: [tom@hudsonviewadvisors.net](mailto:tom@hudsonviewadvisors.net). 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 Hudson View Advisors, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Hudson View Advisors, LLC's CRD number is: 288839.*

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*Registration does not imply a certain level of skill or training.*

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## **Item 2: Material Changes**

There are no material changes in this brochure from the last annual updating amendment of Hudson View Advisors, LLC on 02/20/2018. Material changes relate to Hudson View Advisors, LLC's policies, practices or conflicts of interests only.

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## **Item 4: Advisory Business**

### **A. Description of the Advisory Firm**

Hudson View Advisors, LLC (hereinafter “HVALLC”) is a Limited Liability Company organized in the State of New York. The firm was formed in May 2017, and the principal owner is Thomas G Faranda.

### **B. Types of Advisory Services**

#### ***Portfolio Management Services***

HVALLC offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. HVALLC creates an Investment Policy Statement for each client, which outlines the client’s current situation (income, tax levels, and risk tolerance levels). Portfolio management services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

HVALLC evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. HVALLC will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

HVALLC seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of HVALLC’s economic, investment or other financial interests. To meet its fiduciary obligations, HVALLC attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, HVALLC’s policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is HVALLC’s policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent among its clients on a fair and equitable basis over time.

#### ***Pension Consulting Services***

HVALLC offers consulting services to pension or other employee benefit plans (including but not limited to 401(k) plans). Pension consulting may include, but is not limited to:

- identifying investment objectives and restrictions
- providing guidance on various assets classes and investment options
- recommending money managers to manage plan assets in ways designed to achieve objectives
- monitoring performance of money managers and investment options and making recommendations for changes
- recommending other service providers, such as custodians, administrators and broker-dealers
- creating a written pension consulting plan

These services are based on the goals, objectives, demographics, time horizon, and/or risk tolerance of the plan and its participants.

### ***Financial Planning***

Financial plans and financial planning may include, but are not limited to: investment planning; life insurance; tax concerns; retirement planning; college planning; and debt/credit planning.

### ***Services Limited to Specific Types of Investments***

HVALLC generally limits its investment advice to mutual funds, fixed income securities, real estate funds (including REITs), insurance products including annuities, equities, ETFs (including ETFs in the gold and precious metal sectors), treasury inflation protected/inflation linked bonds, non-U.S. securities and private placements. HVALLC may use other securities as well to help diversify a portfolio when applicable.

## **C. Client Tailored Services and Client Imposed Restrictions**

HVALLC offers the same suite of services to all of its clients. However, specific client investment strategies and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels). Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent HVALLC from properly servicing the client account, or if the restrictions would require HVALLC to deviate from its standard suite of services, HVALLC reserves the right to end the relationship.

## **D. Wrap Fee Programs**

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees. HVALLC does not participate in any wrap fee programs.

## **E. Assets Under Management**

HVALLC has the following assets under management:

<b>Discretionary Amounts:</b>	<b>Non-discretionary Amounts:</b>	<b>Date Calculated:</b>
\$1,500.00	\$28,583,201 .00	December 2018

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

### **A. Fee Schedule**

#### *Portfolio Management Fees*

<b>Total Assets Under Management</b>	<b>Annual Fees</b>
\$0 - \$200,000	0.72%
\$200,000 - \$2,500,000	0.60%
\$2,500,001 - \$5,000,000	0.50%
\$5,000,001 - \$10,000,000	0.30%
\$10,000,001 - and up	0.25%

The advisory fee is calculated using the value of the assets in the Account on the last business day of the prior billing period.

These fees are generally negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Clients may terminate the agreement without penalty for a full refund of HVALLC's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract immediately upon written notice.

#### *Pension Consulting Services Fees*

#### **Asset-Based Fees for Pension Consulting**

<b>Total Assets Under Management</b>	<b>Annual Fee</b>
\$200,000 - \$2,500,000	0.60%
\$2,500,001 - \$5,000,000	0.50%
\$5,000,001 - \$10,000,000	0.30%

<b>Total Assets Under Management</b>	<b>Annual Fee</b>
\$10,000,001 - and up	0.25%

The advisory fee is calculated using the value of the assets on the last business day of the prior billing period

These fees are generally negotiable and the final fee schedule is attached as Exhibit II of the pension consulting agreement.

Clients may terminate the agreement without penalty for a full refund of HVALLC's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the pension consulting agreement immediately upon written notice. HVALLC bills based on the balance on the first day of the billing period

### ***Financial Planning Fees***

#### **Fixed Fees**

The negotiated fixed rate for creating client financial plans is between \$450 and \$5,000.

#### **Hourly Fees**

The negotiated hourly fee for these services is between \$150 and \$300.

Clients may terminate the agreement without penalty, for full refund of HVALLC's fees, within five business days of signing the Financial Planning Agreement. Thereafter, clients may terminate the Financial Planning Agreement generally upon written notice.

### **B. Payment of Fees**

#### ***Payment of Portfolio Management Fees***

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis. Fees are paid in advance.

#### ***Payment of Pension Consulting Fees***

Asset-based pension consulting fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis. Fees are paid in advance.

#### ***Payment of Financial Planning Fees***

Financial planning fees are paid via check.



Fixed financial planning fees are paid in arrears upon completion.

Hourly financial planning fees are paid in arrears upon completion.

### **C. Client Responsibility For Third Party Fees**

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by HVALLC. Please see Item 12 of this brochure regarding broker-dealer/custodian.

### **D. Prepayment of Fees**

HVALLC collects certain fees in advance and certain fees in arrears, as indicated above. Refunds for fees paid in advance will be returned within fourteen days to the client via check, or return deposit back into the client's account.

For all asset-based fees paid in advance, the fee refunded will be equal to the balance of the fees collected in advance minus the daily rate\* times the number of days elapsed in the billing period up to and including the day of termination. (\*The daily rate is calculated by dividing the annual asset-based fee rate by 365.)

### **E. Outside Compensation For the Sale of Securities to Clients**

Neither HVALLC nor its supervised persons accept any compensation for the sale of investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

HVALLC does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

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

HVALLC generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Pension and Profit Sharing Plans
- ❖ Charitable Organizations

## Item 8: Methods of Analysis, Investment Strategies, & Risk of Loss

### A. Methods of Analysis and Investment Strategies

#### *Methods of Analysis*

HVALLC's methods of analysis include Cyclical analysis, Fundamental analysis, Modern portfolio theory, Quantitative analysis and Technical analysis.

**Cyclical analysis** involves the analysis of business cycles to find favorable conditions for buying and/or selling a security.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

**Modern portfolio theory** is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset.

**Quantitative analysis** deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.

**Technical analysis** involves the analysis of past market data; primarily price and volume.

#### *Investment Strategies*

HVALLC uses long term trading and short term trading.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### B. Material Risks Involved

#### *Methods of Analysis*

**Cyclical analysis** assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns; and 2) if too many investors begin to implement this strategy, then it changes the very cycles these investors are trying to exploit.

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Modern portfolio theory** assumes that investors are risk averse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

**Quantitative analysis** Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

**Technical analysis** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new patterns that emerge over time.

### ***Investment Strategies***

**Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Short term trading** risks include liquidity, economic stability, and inflation, in addition to the long term trading risks listed above. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### **C. Risks of Specific Securities Utilized**

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation

Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond “fixed income” nature (lower risk) or stock “equity” nature.

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

**Real estate** funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules

and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

**Annuities** are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.

**Private placements** carry a substantial risk as they are subject to less regulation than are publicly offered securities, the market to resell these assets under applicable securities laws may be illiquid, due to restrictions, and the liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.

**Non-U.S.** securities present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

**Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

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

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Thomas Gerard Faranda is a registered representative of MML Investor Services, LLC.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither HVALLC nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Thomas Gerard Faranda is a registered representative. From time to time, he will offer clients advice or products from this activity. Clients should be aware that these services pay a commission and involve a possible conflict of interest, as commissionable products can conflict with the fiduciary duties of a registered investment adviser. Hudson View Advisors, LLC always acts in the best interest of the client; including in the sale of commissionable products to advisory clients. Clients are in no way required to utilize the services any representative of Hudson View Advisors, LLC in such individual's outside capacity.

Thomas Gerard Faranda is an independent licensed insurance agent, and from time to time, will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. HVALLC always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to utilize the services of any representative of HVALLC in connection with such individual's activities outside of HVALLC.

Thomas Gerard Faranda occasionally consults attorneys involved in litigation with life insurance companies. He operates as an independent contractor under the DBA Thomas G. Faranda & Associates.

### **D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

HVALLC does not utilize nor select third-party investment advisers. All assets are managed by HVALLC management.

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

### **A. Code of Ethics**

HVALLC has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. HVALLC's Code of Ethics is available free upon request to any client or prospective client.

### **B. Recommendations Involving Material Financial Interests**

HVALLC does not recommend that clients buy or sell any security in which a related person to HVALLC or HVALLC has a material financial interest.

### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of HVALLC may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of HVALLC to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. HVALLC will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

### **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of HVALLC may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of HVALLC to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, HVALLC will never engage in trading that operates to the client's disadvantage if representatives of HVALLC buy or sell securities at or around the same time as clients.

## **Item 12: Brokerage Practices**

### **A. Factors Used to Select Custodians and/or Broker/Dealers**

Custodians/broker-dealers will be recommended based on HVALLC's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and HVALLC may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in HVALLC's research efforts. HVALLC will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

HVALLC will require clients to use TD Ameritrade Institutional, a division of TD Ameritrade, Inc. Member FINRA/SIPC.

#### ***1. Research and Other Soft-Dollar Benefits***

While HVALLC has no formal soft dollars program in which soft dollars are used to pay for third party services, HVALLC may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). HVALLC may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and HVALLC does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. HVALLC benefits by not having to produce or pay for the research, products or services, and HVALLC will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that HVALLC's acceptance of soft dollar benefits may result in higher commissions charged to the client.

#### ***2. Brokerage for Client Referrals***

HVALLC receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

#### ***3. Clients Directing Which Broker/Dealer/Custodian to Use***

HVALLC will require clients to use a specific broker-dealer to execute transactions. Not all advisers require clients to use a particular broker-dealer.



## **B. Aggregating (Block) Trading for Multiple Client Accounts**

HVALLC does not aggregate or bunch the securities to be purchased or sold for multiple clients. This may result in less favorable prices, particularly for illiquid securities or during volatile market conditions.

# **Item 13: Review of Accounts**

## **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

All client accounts for HVALLC's advisory services provided on an ongoing basis are reviewed at least Quarterly by Thomas G Faranda, Principal, with regard to clients' respective investment policies and risk tolerance levels. All accounts at HVALLC are assigned to this reviewer.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Thomas G Faranda, Principal. Financial planning clients are provided a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee.

## **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

With respect to financial plans, HVALLC's services will generally conclude upon delivery of the financial plan.

## **C. Content and Frequency of Regular Reports Provided to Clients**

Each client of HVALLC's advisory services provided on an ongoing basis will receive a quarterly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian. HVALLC will also provide at least quarterly a separate written statement to the client.

Each financial planning client will receive the financial plan upon completion.

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

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

HVALLC participates in the institutional advisor program (the "Program") offered by TD Ameritrade. TD Ameritrade offers to independent investment advisor services which include custody of securities, trade execution, clearance and settlement of transactions. HVALLC receives some benefits from TD Ameritrade through its participation in the Program.

As disclosed above, HVALLC participates in TD Ameritrade's institutional advisor program and HVALLC may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between HVALLC's participation in the Program and the investment advice it gives to its clients, although HVALLC receives economic benefits through its participation in the Program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving HVALLC participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have HVALLC's fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to HVALLC by third party vendors. TD Ameritrade may also pay for business consulting and professional services received by HVALLC's related persons. Some of the products and services made available by TD Ameritrade through the Program may benefit HVALLC but may not benefit its client accounts. These products or services may assist HVALLC in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help HVALLC manage and further develop its business enterprise. The benefits received by HVALLC or its personnel through participation in the Program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, HVALLC endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by HVALLC or its related persons in and of itself creates a conflict of interest and may indirectly influence the HVALLC's choice of TD Ameritrade for custody and brokerage services.

### **B. Compensation to Non – Advisory Personnel for Client Referrals**

HVALLC does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

## **Item 15: Custody**

When advisory fees are deducted directly from client accounts at client's custodian, HVALLC will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

## **Item 16: Investment Discretion**

HVALLC provides discretionary and non-discretionary investment advisory services to clients. The advisory contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, HVALLC generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share.

## **Item 17: Voting Client Securities (Proxy Voting)**

HVALLC will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## **Item 18: Financial Information**

### **A. Balance Sheet**

HVALLC neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither HVALLC nor its management has any financial condition that is likely to reasonably impair HVALLC's ability to meet contractual commitments to clients.

### **C. Bankruptcy Petitions in Previous Ten Years**

HVALLC has not been the subject of a bankruptcy petition in the last ten years.