



Emerald  
Multi-Family  
Office

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## **Firm Brochure (Part 2A of Form ADV)**

**March 2019**

This Brochure provides information about the qualifications and business practices of EMFO, LLC. If you have any questions about the contents of this Brochure, please contact us at 954- 385-9624 or by email at [mbudelman@Emeraldfamilyoffice.com](mailto:mbudelman@Emeraldfamilyoffice.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

EMFO, LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about EMFO, LLC (CRD #289997) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website also provides information about any persons affiliated with EMFO who are registered or are required to be registered, as investment adviser representatives of EMFO, LLC.

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## **ITEM 2 – MATERIAL CHANGES**

Regulatory rules require that we provide a summary of any material changes to this Brochure and any subsequent Brochures within 90 days of the close of our business's fiscal year. In addition, we will provide other ongoing disclosure information about material changes or an updated brochure when necessary.

There have been no material changes since the last update to the ADV Part 2 was submitted on March 2018.

## **ITEM 4 – ADVISORY BUSINESS**

### **Firm Description**

EMFO, LLC (“EMFO”) was established in May 2017 and is registered with the SEC (US Securities and Exchange Commission) as a Registered Investment Adviser.

EMFO provides Multi-Family Office Services, offering a full range of capabilities to serve the needs of high net worth and ultra-high net worth families and institutions by offering family office services, including non-discretionary investment advice.

EMFO, LLC is co-owned as follows:

Running Rebel Consulting which is wholly owned by the Scot L. Hunter Revocable Trust, for which Scot L. Hunter serves as the Trustee.

DDIAWA Consulting Inc. which is wholly owned by Allan M. Budelman

CWRS, LLC which is wholly owned by Melissa J. Budelman.

The same entities also own an affiliate Registered Investment Advisor, Emerald Asset Advisors (“Emerald.”) The controlling interest in EMFO is Running Rebel Consulting 60%, DDIAWA Consulting, Inc. is 30% and CWRS, LLC is 10%. Emerald ownership is 66%, 24%, and 10% respectively.

EMFO and Emerald are located at the same address and utilize many of the same employees. Emerald provides the Investment Management and some of the administrative infrastructure to EMFO. The infrastructure includes but is not limited to:

Physical facilities Data Processing Storage

Backup Systems

Communication and computer systems Research Resources

Staff and allied professional services

### **Assets Under Management**

As of December 2018 EMFO, currently has regulatory assets under management of \$211,458,717 on a discretionary basis.

### **Assets Under Advisement**

EMFO shall also provide advice, monitoring and reporting services. As of December 2018 EMFO, has Asset Under Advisement of \$1,736,577,704

## **SERVICES PROVIDED**

At the outset of each client relationship, EMFO spends time with the client, asking questions, discussing the client’s investment experience and financial circumstances, and broadly identifying major goals of the client.

## **Portfolio Management Services**

EMFO provides advice as to the allocation of client portfolios and the investment of client assets. Investment advice is tailored to the individual needs of each client. EMFO evaluates the client's personal and financial circumstances at the onset of the relationship, and periodically thereafter. Clients are advised that they should promptly notify us when there are any changes to their financial situation and/or financial objectives for the purpose of reviewing, evaluating, or revising previous recommendations or services.

EMFO will manage the client's investment portfolio on a discretionary or a non-discretionary basis. EMFO will utilize the Investment and Trade Management Services of Emerald Asset Advisors on behalf of the clients of EMFO. Trades will be completed under EMFO. As a discretionary investment adviser, EMFO will have the authority to supervise and direct the portfolio without prior consultation with the client. Clients who choose a non-discretionary arrangement must be contacted prior to the execution of any trade in the account(s) under management. This can result in a delay in executing recommended trades, which could adversely affect the performance of the portfolio. This delay also normally means the affected account(s) will not be able to participate in block trades, a practice designed to enhance the execution quality, timing and/or cost for all accounts included in the block. In a non-discretionary arrangement, the client retains the responsibility for the final decision on all actions taken with respect to the portfolio.

Clients may impose certain written restrictions on EMFO in the management of their investment portfolios, such as prohibiting the inclusion of certain types of investments in an investment portfolio or prohibiting the sale of certain investments held in the account at the commencement of the relationship. Each client should note, however, that restrictions imposed by a client may adversely affect the composition and performance of the client's investment portfolio. Each client should also note that his or her investment portfolio is treated individually by giving consideration to each purchase or sale for the client's account. For these and other reasons, performance of client investment portfolios within the same investment objectives, goals and/or risk tolerance may differ, and clients should not expect that the composition or performance of their investment portfolios would necessarily be consistent with similar clients of EMFO. Please refer to the Investment Allocation and Trade Aggregation sections in Item 12 for further information.

## **Selection of Separate Account Managers**

When appropriate and in accordance with the Investment Plan for a client, EMFO may recommend the use of one or more Separate Account Managers, each a "Manager." Having access to various Managers offers a wide variety of manager styles and offers clients the opportunity to utilize more than one Manager if necessary, to meet the needs and investment objectives of the client. EMFO will usually select or recommend the Manager(s) it deems most appropriate for the client. Factors that EMFO considers in recommending/selecting Managers generally include the client's stated investment objective(s), management style, performance, risk level, reputation, financial strength, reporting, pricing, and research.

The Manager(s) will generally be granted discretionary trading authority to provide investment supervisory services for the portfolio. Under certain circumstances, EMFO retains the authority to terminate the Manager's relationship or to add new Managers without specific client consent. In other cases, the client will ultimately select one or more Managers recommended by EMFO. Fees paid to such Manager(s) are separate from and in addition to the fee assessed by EMFO.

In any case, with respect to assets managed by a Manager, EMFO's role will be to monitor the overall financial situation of the client, to monitor the investment approach and performance of the Manager(s), and to assist the client in understanding the investments of the portfolio.

EMFO may recommend the Investment Management services of other unaffiliated advisors. In the event clients utilize the services of another unaffiliated advisor, the client will enter into an agreement directly with that advisor which will clearly outline the fee agreement.

### **Real Estate-Related Investments**

When appropriate, and in accordance with the client's Investment Plan, EMFO may recommend the use of one or more alternative and real estate limited partnership operators.

For clients for whom such services are suitable, EMFO will provide advice on real estate-related investments (e.g., mortgages, direct investments in real estate and investments in real estate funds). Services included within the scope of such advice include strategic research, due diligence, investment monitoring and reporting.

### *Held-Away Assets*

EMFO provides additional services for accounts where it is not possible for the firm to enact trades through the usual custodians.

EMFO makes recommendations for certain accredited investors for real estate private equity deals. An accredited investor, in the context of a natural person, includes anyone who:

- earned income that exceeded \$200,000 (or \$300,000 together with a spouse) in each of the prior two years, and reasonably expects the same for the current year, OR
- has a net worth over \$1 million, either alone or together with a spouse (excluding the value of the person's primary residence).

EMFO may make recommendations from time to time to accredited investor clients involving Real Estate Private Equity deals from operators that are also clients of EMFO. The recommendation poses a conflict of interest as it is in EMFO's best interest to assist these operators in funding their deals. EMFO shall disclose this to the clients that are receiving the recommendation, and those clients are free to turn down the deal or seek a deal outside the management of EMFO. EMFO is not paid a commission or fee for helping the operator fund the deal. EMFO are only paid an Investment Management or Family Office Service Fee by the Real Estate Operators as clients of EMFO. EMFO is only paid an Investment Management fee or Family Office Service fee by the accredited investor client for Family Office Services provided to the Client for Family Office Services. It is in EMFO's best interest that the accredited investor client is invested in products we believe to be best suited for the client.

Therefore, EMFO utilizes specific investment criteria when making these real estate private equity recommendations. The criteria followed includes:

- Due Diligence of the Real Estate Operators
- Product Review of the Deals by the Investment Committee of EMFO
- Client Risk and Suitability Analysis

### **Family Office Services**

EMFO provides Multi-Family Office Services, offering a full range of capabilities to serve the needs of high net worth and ultra-high net worth families and institutions. As a strategic partner, EMFO will develop and implement a comprehensive wealth management plan. Our goals-based planning process helps align clients' objectives with appropriate wealth management strategies and leverages EMFO's extensive resources to develop integrated solutions tailored to meet clients' needs. Clients generally work with a dedicated partner of the firm with in-depth experience supported by a team of professionals brought together to help achieve the client's goals. Clients engaging EMFO for Family Office Services receive:

#### **Wealth Management Plan**

Development of a comprehensive wealth management profile and plan. The profile and plan are discussed regularly with each client but are not necessarily written documents.

#### **Wealth Management Services**

Strategic Planning and Coordination of Investment, Banking, Insurance, Legal and other Advisors  
Portfolio Management Services (as described above)

Trust & Fiduciary: Coordinate with client and legal advisors to develop a personalized wealth transfer plan

Philanthropy: Coordination and assistance in development of philanthropic structures and processes

#### **\*Special Projects**

\*Special projects may include, without limitation, business consulting, organization projects, as well as other matters specific to the client as and when requested by the client and agreed to by EMFO.

### **Business Introductory Services**

EMFO provides extensive industry connections for expediting the introduction and connection process between client and potential business partners and trusted service providers.

Serves as an intermediary to facilitate and manage confidential connections between clients for specific business purposes.

Business Introductory Services are provided as part of the relationship with our clients. EMFO does not charge a fee, receive a commission or any other monetary compensation for these introductory Services.

### Reporting and Administration

- Consolidated Financial Reporting:
  - Consolidated Net Worth Report
  - Consolidated Asset Summary Report
  - Consolidated Real Estate Inventory
  - Cash Flow Summary
  - Holistic View of Client's Assets (Reported assets include those over which the client does not grant EMFO investment discretion. Such assets may be included for informational purposes only.)
- Document Management and Archiving: Maintain copies of all family document inventory including entity organization documents, tax documents, a summary of major assets by ownership, key contacts, investment documents and financial reports, and ~~correspondence~~
- Family Governance: Family meeting facilitation and maintenance of a family communication process and governance system.
- Education: Provide access to group and individual education programs for family members encompassing a wide variety of topics, including next-generation education.

### ITEM 5 – FEES AND COMPENSATION

The specific manner in which fees are charged is established in a client's written agreement. However, the general fee structures are outlined below.

#### Family Office Services

Fees for Family Office Services are individually negotiated based on the size, scope, and complexity of each arrangement. Fees are assessed on the total asset value for which EMFO provides discretionary portfolio management services and non-discretionary advice, monitoring and reporting services. For the first \$10 million of assets, clients are charged a fixed fee. Thereafter, fees are negotiable, based on services required, discretionary portfolio management and at an annual rate based upon a percentage of the total market value of the assets.

Assets (includes discretionary)	Annual Fee
Up to the First \$10 million	\$100,000
Next \$10 million	0.50%
Over \$20 million	0.25%

Family Office Services fees are generally payable quarterly, in advance. If management begins after the start of a quarter, fees will be prorated accordingly. Fees are prorated for asset inflows during the quarter. No fee adjustments are made for partial withdrawals. With client authorization, fees are normally debited directly from the client's designated managed brokerage account(s). In the event



that EMFO bills the client directly, payment is due upon receipt of the invoice.

The minimum annual fee for Family Office Services is \$100,000. The minimum may be waived or reduced at EMFO's discretion.

Fees may be calculated from the account and deducted from another related account or paid by the client via check or another method. This Fee process will be documented in the client's agreement with us. Please contact us with any questions concerning the fee calculation and deduction method.

#### **Proration of Fees at Termination**

Clients may terminate their agreement at any time, in which case fees will be prorated up to and including the termination date, which is evidenced by receipt of written instructions from the client. If the daily proration results in an amount to be rebated to the client, the client will be promptly refunded. In the event the client terminates prior to twelve months from inception, a termination fee will be imposed to adjust the annual payment to a minimum of \$10,000.

#### **Fees and Commissions from Brokerage Transactions**

The client's account custodian (or broker-dealer) charges brokerage commissions and transaction fees. Clients may also incur other charges imposed by custodians, brokers, third-party investment advisers and other third parties such as fees charged by managers, custodial fees, deferred sales charges, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. These fees and charges are separate and in addition to EMFO's fees.

Clients may choose to custody their assets with (or purchase products through) broker-dealers not recommended by EMFO if administratively feasible. Typically, EMFO requires daily downloadable files compatible with EMFO's database management system from the custodian and a workable order entry platform and account interface.

EMFO will provide adequate written disclosures to any client who requests directed brokerage explaining that the arrangement may impair our ability to obtain best execution for the client, and that the client may not benefit from aggregated orders and negotiated commission rates. Item 12 – Brokerage Practices further describes the factors that EMFO considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

#### **Other Fees**

Fees paid to EMFO are also separate and distinct from the fees and expenses charged by mutual funds, ETFs (exchange-traded funds) or other investment pools to their shareholders (generally including a management fee and fund expenses, as described in each fund's prospectus or offering materials). The client should review all fees charged by funds, brokers, EMFO, and others to fully understand the total amount of fees paid by the client for investment and financial-related services.

EMFO's advisory contract grants us the discretion to hire third-party unaffiliated separate account managers to manage all or a portion of the client's assets. When a separate account manager manages a

client's assets, the client will be subject to the separate account manager's management fees and other expenses. These fees and expenses are in addition to all fees charged by EMFO directly. EMFO does not receive any portion of the fees and expenses charged by these third parties, nor do we receive any additional compensation from these or any third parties.

### **Performance Reporting**

Performance data reported for client account(s), portfolios or plans will be shown gross of our fees. Broker commission fees and other nominal transactions costs may be accounted for in the final performance calculations. The returns listed do not consider the fees paid for services. Therefore, the return shown will be reduced by the fees paid. All fees for services are outlined in the firm's ADV Part 2 as well as any agreements between the client and EMFO. If any questions arise on the calculation of gross performance information, please contact Melissa Budelman, Managing Partner and CCO at mbudelman@EmeraldFamilyOffice.com or 954-385-6493.

### **ITEM 6 – PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

EMFO does not have any performance-based fee arrangements. "Side by Side Management" refers to a situation in which the same firm manages accounts that are billed based on a percentage of assets under management and at the same time manages other accounts for which fees are assessed on a performance fee basis. Because EMFO has no performance-based fee accounts, it has no side-by-side management.

### **ITEM 7 – TYPES OF CLIENTS**

EMFO provides Multi-Family Office Services and investment advisory services to high net worth and ultra-high net worth families.

Employee benefit plans which select EMFO to provide investment advisory services should be aware that the Employee Retirement Income Security Act of 1974 ("ERISA") sets forth rules under which Plan Fiduciaries may retain investment advisers for various types of services with respect to Plan assets. For certain services, EMFO will be considered a fiduciary under ERISA. For example, EMFO will act as a fiduciary when providing non-discretionary investment advice to the Plan Fiduciaries by recommending a suite of investments as choices among which Plan Participants may select. Also, to the extent that the Plan Fiduciaries retain EMFO to act as an investment manager within the meaning of ERISA § 3(38), EMFO will provide discretionary investment management services to the Plan.

### **ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS**

EMFO uses the following securities analysis methods:

**Fundamental Analysis:** a method of evaluating a security that entails attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and company-specific factors (like financial condition and management).

The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price, with the aim of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short).

EMFO's fundamental analysis may include the following:

1. Our view of the global economic and investment climate, as driven by investment committee's research efforts.
2. Where are the Bull Markets on a cyclical and secular basis?
3. What themes (e.g., arbitrage, convertibles, small-cap companies, emerging markets, gold) should be included in the portfolio that offers the strongest reward/risk opportunities over multiple time frames, but with an emphasis on periods further out in time?
4. Identify funds and/or ETFs that, in our opinion, best embody that theme. In some cases, options may be used to express the theme in the portfolio.
5. Does each particular theme fit into the overall portfolio, without overlapping significantly?

**Cyclical Analysis:** a form of fundamental analysis involving the process of making investment decisions based on the different stages an industry is at during a given point in time. The type of position taken will depend on firm-specific characteristics, as well as where the industry is at in its lifecycle.

### **Where We Obtain Information**

Primary sources of information utilized by EMFO and Emerald include Morningstar, Thompson Reuters, fund prospectuses, financial newspapers, company press releases and magazines, research materials prepared by others and annual reports. Investment committee members also may meet with portfolio managers, participate in conference calls, and attend industry conferences.

### **Types of Investments**

EMFO typically invests client assets in the following types of securities:

- No-load mutual funds;
- Closed-End Funds
- Exchange-traded funds (ETFs);
- Exchange-traded notes (ETNs);
- Equities;
- Government, corporate and municipal bonds;
- Certificates of deposit;
- Commercial paper;
- Equity and index options;

- Mutual funds, ETNs or ETFs that provide exposure to the short side of the market (i.e., they are designed to provide investment returns that are opposite of the market index they track); and
- Alternative Investments, such as:
  - o Real Estate
  - o Venture Capital
  - o Private Equity

EMFO may also hire unrelated third-party separate account managers with expertise in certain investment techniques or styles to sub-advise its clients' accounts.

### **Investment Strategies**

EMFO uses strategic asset allocation as its primary investment strategy for its clients. Like many others, our philosophy centers on the preservation and growth of capital. However, we employ a flexible and adaptive approach in our investment practice. We are flexible in the types of investment sub-styles and strategies we pursue, with an ability to be nimble and capitalize on changing market conditions. EMFO has an open architecture platform, and when allocating a client's portfolio, we may elect to use other model portfolios, or we may choose unaffiliated funds, individual securities and/or utilize the services of other separate account managers (sub-advisers) or our affiliated firm, Emerald, that we believe have expertise in certain techniques or styles, whichever we believe will best accomplish the client's objectives and goals.

### **Risk of Loss**

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds) involves risk of loss. Further, depending on the different types of investments, there may be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

### **Principal Risks**

- **Management Risks:** While EMFO manages client investment portfolios based on EMFO's and Emerald's experience, research and proprietary methods, the value of client investment portfolios will change daily based on the performance of the underlying securities in which they are invested. Accordingly, client investment portfolios are subject to the risk that EMFO allocates client assets to individual securities and/or asset classes that are adversely affected by unanticipated market movements, and the risk that EMFO's specific investment choices could underperform their relevant indexes.
- **Equity (Stock) Market Risk:** Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. A client holding common stock, or common stock

equivalents, of any given issuer, would generally be exposed to greater risk than if the client held preferred stocks and debt obligations of the issuer.

- **Company Risk:** When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- **Smaller Capitalization Securities Risk:** Investments in smaller capitalization companies may be more vulnerable than larger, more established organizations to adverse business or economic developments. In particular, smaller capitalization companies may have limited product lines, markets, and financial resources and may be dependent upon a relatively small management group.
- **ETF and Mutual Fund Risk:** Clients invested in an ETF or mutual fund will incur additional expenses based on its pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients will also incur brokerage costs when purchasing ETFs.
- **Inverse Correlation Risk:** Inverse funds (including ETNs) should lose value as the index or security tracked by such fund's benchmark increases in value; a result that is the opposite from traditional mutual funds. Successful use of inverse funds requires that the adviser correctly predict short-term market movements. If a client invests in an inverse fund and markets rise, the client could lose money. Inverse funds may also employ leverage such that their returns are more than one times that of their benchmark.
- **ETF Tracking Risk:** ETFs will not be able to replicate exactly the performance of the indices they track because the total return generated by the securities will be reduced by transaction costs incurred in adjusting the actual balance of the securities. In addition, the ETFs incur expenses not incurred by their applicable indices. Certain securities comprising the indices tracked by the ETFs may, from time to time, temporarily be unavailable, which may further impede the ETFs' ability to track their applicable indices.
- **Foreign Investment Risk:** Foreign investing involves risks not typically associated with U.S. investments, including adverse fluctuations in foreign currency values, adverse political, social, and economic developments, less liquidity, greater volatility, less developed or less efficient trading markets, political instability and differing auditing and legal standards. Investing in emerging markets imposes risks different from, or greater than, risks of investing in foreign developed countries.
- **Options Risk:** A small investment in options could have a potentially large impact on an investor's performance. The use of options involves risks different from, or possibly greater than, the risks associated with investing directly in the underlying assets. Derivatives can be highly volatile, illiquid, and difficult to value, and there is the risk that a hedging technique will

fail if changes in the value of a derivative held by an investor do not correlate with the securities being hedged.

- **Credit Risk:** Issuers of fixed-income securities (including ETNs) may default on interest and principal payments. Generally, securities with lower debt ratings have speculative characteristics and carry greater risk that the issuer may default on its obligation. Changes in economic conditions or other circumstances are more likely to lead to a weakened capacity of those issuers to make principal or interest payments, as compared to issuers of more highly rated securities.
- **Interest Rate Risk:** In general, the price of a debt security falls when interest rates rise. Securities with longer maturities tend to be more sensitive to interest rate changes.
- **Real Estate Risk:** REIT share prices may decline because of adverse developments affecting the real estate industry and real property values. In general, real estate values can be affected by a variety of factors, including supply and demand for properties, the economic health of the country or of different regions, and the strength of specific industries that rent properties.
- **Real Estate/Alternative Risk:** An alternative real estate investments strategy is subject to a number of risks and is not suitable for all investors. Investing in this type of alternative investments is only intended for qualified, experienced and sophisticated investors who are willing to bear the high economic risk associated with such an investment. Investors should carefully review and consider potential risks before investing. Certain risks may include the following:
  - o loss of all or a substantial portion of the investment due to leveraging, short selling or other speculative practices;
  - o lack of liquidity in that there may be no secondary market for the investment
  - o volatility of returns; restrictions on transferring interests in the asset;
  - o absence of information regarding valuations and pricing; complex tax structures and delays in tax reporting; adviser risk; and less regulation and potentially higher fees than traditional strategies.

### **Cybersecurity:**

The technology systems of EMFO and its respective service providers may be vulnerable to inadvertent or deliberate interruption and consequent damage from technical or human sources. In addition to natural catastrophes, service/power outages, and network or telecommunications failures, security breaches and intrusion by unauthorized persons could result in damage, disruption, and theft of data, including investor information. EMFO has implemented cybersecurity procedures meant to address these risks. Nevertheless, given EMFO's fundamental dependence on technology, a cyber-attack or similar technology disruption could have a material adverse impact on Clients. Additionally, there are inherent limitations in cybersecurity policies and procedures and controls including the possibility that certain risks have not been identified. EMFO has conducted limited due diligence and risk assessments of third-party providers.

However, EMFO is not able to control the cybersecurity plans, breach notifications, incident response plans and controls put in place by other services providers and/or the issuers in which the client invest. It is in the client's best interest to monitor all of his or her accounts on a regular basis and stay informed of cybersecurity best practices.

#### **ITEM 9 – DISCIPLINARY INFORMATION**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of EMFO or the integrity of EMFO's management. EMFO has no information applicable to this Item.

#### **ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

The principal owners of EMFO also own the affiliate, Emerald. Some of Emerald's principals and employees are investment adviser representatives associated with Emerald. Please refer to EMFO's and Emerald's ADV Part 2 B for further information.

The principal owners of Emerald also own EMJET. EMJET was established to provide concierge services for Family Office clients and it will be dissolved in 2019.

#### **ITEM 11 – CODE OF ETHICS**

##### **Code of Ethics and Personal Trading**

EMFO has adopted a Code of Ethics ("the Code,") the full text of which is available upon request. EMFO's Code has several goals. First, the Code is designed to assist EMFO in complying with applicable laws and regulations governing its investment advisory business. Under the Investment Advisers Act of 1940, EMFO owes fiduciary duties to its clients. Pursuant to these fiduciary duties, the Code requires persons associated with EMFO (managers, officers, and employees) to act with honesty, good faith, and to deal fairly with clients. In addition, the Code prohibits such associated persons from trading or otherwise acting on insider information.

Next, the Code sets forth guidelines for professional standards for EMFO's associated persons. Under the Code's Professional Standards, EMFO expects its associated persons to put the interests of its clients first, ahead of personal interests. In this regard, EMFO's associated persons are not to take inappropriate advantage of their positions relative to EMFO clients.

Third, the Code sets forth policies and procedures to monitor and review the personal trading activities of associated persons. From time to time, EMFO's associated persons may invest in the same securities recommended to clients. Under its Code, EMFO has adopted procedures designed to reduce or eliminate potential conflicts of interest. The Code's personal trading policies include procedures for limitations on personal securities transactions of associated persons, reporting, and review of such trading and pre-clearance of certain types of personal trading activities. These policies are designed to discourage and prohibit personal trading that would disadvantage clients. The Code also provides for disciplinary action as appropriate for violations.

Overall, the Code of Ethics sets forth the standards of business conduct expected of the Firm's Supervised Persons and reflects an advisor's fiduciary obligations to his or her clients. It also sets forth

policies and procedures that are designed to reasonably ensure that persons subject to the Code of Ethics do not use any investment-related information about the Firm's clients for personal gain or in a manner detrimental to the interests of the clients. The Code of Ethics is reasonably designed to prevent the unlawful use of material, non-public information by EMFO or any of its Associated Persons. The Code of Ethics also requires that Associated Persons report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and private placements. EMFO and its Associated Persons shall also comply with applicable laws and avoid conflicts with client transactions and at all times must put the best interest of the client ahead of their own.

EMFO's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting the firm's CCO Melissa Budelman at 954-385-9624 or mbudelman@EmeraldFamilyOffice.com.

## **ITEM 12 – BROKERAGE PRACTICES**

### **Best Execution and Benefits of Brokerage Selection**

When given discretion to select the brokerage firm that will execute orders in client accounts, EMFO through the Trading Services of Emerald shall seek "best execution" for client trades, which is a combination of a number of factors, including, without limitation, quality of execution, services provided and commission rates. Therefore, execution may occur with brokers who do not charge the lowest available commission in the recognition of research and securities transaction services, or quality of execution. Research services received with transactions may include proprietary or third-party research (or any combination) and may be used in servicing any or all of Emerald's and EMFO's clients. Therefore, research services received may not be used for the account for which the particular transaction was effected.

EMFO recommends that clients establish brokerage accounts with Charles Schwab & Co., Inc. (Schwab), a FINRA registered broker-dealer, member SIPC, or Pershing Advisor Solutions LLC (Pershing), member FINRA, SIPC, NYSE. Schwab and Pershing (together, the "Custodians") will serve as the qualified custodians to maintain custody of clients' assets. EMFO through Emerald will also effect trades for client accounts at the Custodians, or may in some instances, consistent with Emerald and EMFO's duty of best execution and specific agreement with each client, elect to execute trades elsewhere. Although EMFO may recommend that clients establish accounts at the Custodians, it is ultimately the client's decision to custody assets with the Custodians. EMFO and Emerald are independently owned and operated and are not affiliated with the Custodians.

The Custodians provide EMFO with access to their institutional trading, custody, reporting and related services, which are typically not available to the Custodians' retail investors. The Custodians also make available various support services. Some of those services help EMFO manage or administer clients' accounts while others help EMFO manage and grow the businesses. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them. The Custodians' brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

The Custodians generally do not charge separately for custody services but are compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that



are executed through the Custodians or that settle into the Custodians' accounts. The Custodians also make available to EMFO other products and services that benefit EMFO but may not directly benefit the clients' accounts. Many of these products and services may be used to service all or some substantial number of EMFO accounts, including accounts not maintained at the Custodians.

The Custodians' products and services that assist EMFO in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide pricing and other market data; (iv) facilitate payment of fees from clients' accounts; and (v) assist with back-office functions, recordkeeping, and client reporting.

The Custodians also offer other services intended to help EMFO manage and further develop business enterprises. These services may include (i) technology, compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants, and insurance providers. The Custodians may make available, arrange, and/or pay third-party vendors for the types of services rendered to EMFO. The Custodians may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to EMFO.

The Custodians may also provide other benefits such as educational events or occasional business entertainment of EMFO personnel. In evaluating whether to recommend that clients custody their assets at the Custodians, EMFO takes into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers, and not solely on the nature, cost or quality of custody and brokerage services provided by the Custodians, which may create a potential conflict of interest.

The firm will conduct at least annually a Best Execution Review which shall be summarized to include the overall effectiveness of the Brokers' overall performance for the clients of the firm.

### **Research and other Soft Dollar Benefits**

Schwab pays third parties to provide EMFO other products and services ("soft dollar benefits") that benefit EMFO but may not directly benefit its clients' accounts. Federal securities law provides a "safe harbor" which allows an investment adviser to pay more than the lowest available commission for brokerage and research services if it determines in good faith that the commission paid was reasonable in relation to the brokerage and research services provided.

Soft dollar benefits are given by brokers to money management firms in return for the money manager's client transaction business. Client transaction business generates commissions for brokers. The brokers agree to use a portion of the client commissions to pay for certain products and services that the money manager designates, such as research reports and other products that assist with investment decision making. Soft dollar benefits are not limited to clients whose transactions have generated the benefit although certain soft dollar allocations are connected to particular clients or groups of clients. As well, soft dollar benefits are not proportionally allocated to any accounts that may generate different amounts of the soft dollar benefits.

EMFO obtains the following types of products and services from third-parties through Soft Dollar

arrangements with Schwab:

- Investment analysis software that assists with the calculation of performance and risk analytics, peer group analysis, style attribution, manager search, asset allocation and custom reporting, portfolio construction and optimization.
- Programs that provide access to investment databases in the industry, collecting data directly from primary sources and running it through extensive checks for accuracy. This program also allows access to the industry's bond information.
- Thompson Reuter's CLEAR provides due diligence information on third-party advisors and managers including but not limited to the Real Estate Operators. This is valuable research information when recommending alternative operators for the clients of EMFO.

When EMFO uses client brokerage commissions (or markups or markdowns) to obtain research or other products or services, we receive a benefit because we do not have to produce or pay for the research, products, or services.

Consequently, we may have an incentive to select or recommend a broker-dealer based on our interest in receiving the research or other products or services, rather than on our clients' interest in receiving most favorable execution.

### **Directed Brokerage**

Clients may direct the use of a particular broker for custodial or transaction services on behalf of the client's portfolio. In directed brokerage arrangements, the client is responsible for negotiating the commission rates and other fees to be paid to the broker. Accordingly, a client who directs brokerage should consider whether such designation may result in certain costs or disadvantages to the client, either because the client may pay higher commissions or obtain less favorable execution, or the designation limits the investment options available to the client. EMFO will not seek better execution services or prices from directed broker-dealers or be able to aggregate the client's transactions with orders for other accounts managed by EMFO. As a result, EMFO may not obtain best execution on behalf of the client, who may pay materially disparate commissions, greater spreads, or other transactions costs, or receive less favorable net prices on transactions for the account than would otherwise be the case.

The arrangement that EMFO has with the Custodians is designed to be cost-effective and maximize efficiency. By directing brokerage arrangements, the client acknowledges that these economies of scale and levels of efficiency are generally compromised when alternative brokers are used. While every effort is made to treat clients fairly over time, the fact that a client chooses to use the brokerage and/or custodial services of these alternative service providers can in fact result in a certain degree of delay in executing trades for their account(s) and otherwise adversely affect management of their account(s).

By directing EMFO to use a specific broker or dealer, clients who are subject to ERISA confirm and agree with EMFO that they have the authority to make the direction, that there are no provisions in any client or plan document which are inconsistent with the direction, that the brokerage and other goods and services provided by the broker or dealer through the brokerage transactions are provided solely to and for the benefit of the client's plan, plan participants and their beneficiaries, that the amount paid for the

brokerage and other services have been determined by the client and the plan to be reasonable, that any expenses paid by the broker on behalf of the plan are expenses that the plan would otherwise be obligated to pay, and that the specific broker or dealer is not a party in interest of the client or the plan as defined under applicable ERISA regulations.

EMFO may utilize the same Broker/Dealer Services and share the same benefits as Emerald.

#### Investment Allocation and Trade Aggregation

The overriding principle governing EMFO's allocation and aggregation process is the fair and equitable treatment of all clients in the allocation of investment opportunities and in the aggregation of client orders and resulting allocation of securities or transaction proceeds. The Investment Committee, CCO of EMFO and trader, monitor the trading allocation procedures on a regular basis.

The EMFO trading area prioritizes the release of trading orders with respect to its advised separate accounts as follows:

1. Discretionary accounts with no restrictions that require manual trade adjustments (such as deviations from the model for cash requirements or that hold non-model securities, etc.);
2. Accounts with restrictions that require manual intervention to process trades;
3. Accounts with directed brokerage arrangements (i.e., clients that choose to custody their assets outside of the Custodians);
4. Non-discretionary accounts that require a client's pre-approval of trades.

Due to the sequence of placing trades for accounts, it is possible that accounts that are trading in the same security may receive different prices due to the timing of the executions. Please refer to Trade Rotation below for further details.

#### Trade Aggregation/Re-balancing

**Trade Aggregation:** The Firm may aggregate orders for its advised accounts to reduce transaction costs and facilitate efficient execution of client orders in the same securities on the same day where possible. In the event that a trade is partially completed, the Firm will allocate the executed portion of the transaction on a pro rata basis among participating accounts. The participating accounts will receive the average price and transaction costs will be assessed at the broker-dealer's commission rate applicable to each account for that block order. The Firm will document the allocation of its bunched orders and review them at least annually to ensure that all clients receive fair and equitable treatment. Written approval from the CCO is required for any departures from the stated allocation process. Deviations may occur for good cause and would include, but not be limited to cash or liquidity limitations; client-specific investment objectives, policies, or restrictions; or an inadequate number of shares to justify the processing expenses (e.g. a client would receive a de minimis allocation) and the timing of the orders throughout the day. If an error is made during the allocation process, it shall be noted on the trade ticket along with the correct allocation. Client account performance and purchase and sale journals shall be periodically reviewed to ensure that no client or group of clients are being favored or harmed in the selection and allocation of investment opportunities.

**Rebalancing:** The Firm has various model strategies that, depending on suitability and client objectives, may be assigned to client accounts. From time to time, these client accounts will be rebalanced to account for changes in the model or to account for the change in ratio of assets that results from contributions and withdrawals of capital to or from the accounts. The purpose of these rebalancing transactions is to bring each account's exposure to a commonly held investment into line with the account's percentage of total assets under management. An account may be a purchaser or seller in such rebalancing transactions, and trades will be aggregated for all clients and related persons. If the entire block order is not filled, then the trader will allocate the fills on a pro rata basis with covered person accounts receiving no shares or units.

### **Trade Rotation**

Generally, trades will be aggregated for each group of participating client accounts that share a common custodian. EMFO places the orders for aggregated block trades through a rotation of the executing custodians so that no group is damaged or disadvantaged over time by the timing of the executions. This Trade Rotation only applies to the clients of EMFO.

Similar trades executed for clients of EMFO may be done at varying prices due to timing of the executions and other factors.

### **Agency Cross Transactions**

An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction (SEC Rule 206(3)-2(b)). Agency cross transactions typically may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer. The Firm has no affiliated broker-dealer and accordingly, its policy and practice is that the firm may not engage in agency cross transactions.

### **Cross Transactions**

A cross trade is a transaction between two accounts managed by the same investment adviser. Cross trades can be executed by an adviser either on a direct or indirect basis. In a direct cross transaction, securities are transferred from the account of one client to that of another client. In an indirect cross trade, purchase and sale orders for the same securities are placed for execution through an unaffiliated broker-dealer, usually with no or minimal commission expense. Section 206(3) of the adviser's act prohibits any adviser from engaging in or effecting an agency transaction with a client without disclosing in writing to the client, "before the completion of such transaction," the capacity in which the adviser is acting and obtaining the client's consent.

It is the Firm's policy to engage in cross trade transactions only in accordance with its fiduciary duty to seek to receive the best available execution on behalf of its clients. All cross trades must receive the prior written approval of the Firm's Chief Compliance Officer.

### **Client Participation in Transactions**

In general, investment decisions for each account are made independently from those of other accounts

and are made with specific reference to the circumstances and objectives of each account.

A particular account may or may not participate in any specific transaction or may receive allocations of securities or investments that differ from that provided to other accounts, based on a number of factors including, but not limited to, the trade rotation policy, previous transactions, account restrictions, account size, tax status, risk tolerance, cash, and liquidity. Although EMFO and Emerald generally will seek to be consistent in its investment approach for all accounts with the same or substantially similar investment objectives, strategies and restrictions, the act of purchasing, selling or holding a security for one account does not mean it will be purchased, sold, or held for another account. EMFO through Emerald will transact for some accounts in securities already owned by other accounts. Due to differing market conditions and factors previously cited, EMFO through Emerald may purchase (or sell) a security on behalf of some accounts that EMFO has sold (or purchased) on behalf of other accounts and may do so at varying prices.

### **ITEM 13 – REVIEW OF ACCOUNTS**

**Review of Advisory Accounts:** Managed portfolios are reviewed at least quarterly but may be reviewed more often if requested by the client, upon receipt of information material to the management of the portfolio, or at any time such review is deemed necessary or advisable by EMFO. These factors generally include but are not limited to, the following: change in general client circumstances (marriage, divorce, retirement); or economic, political or market conditions. Scot Hunter, Allan Budelman, and Keith Stoloff are responsible for reviewing accounts as well as the Investment Committee.

Account custodians are responsible for providing monthly or quarterly account statements which reflect the positions (and current pricing) in each account as well as transactions in each account, including fees paid from an account. Account custodians also provide prompt confirmation of all trading activity, and year-end tax statements, such as 1099 forms. In addition, EMFO provides at least an annual report for each managed portfolio. This written report normally includes a summary of portfolio holdings and performance results. EMFO will provide additional written reports as needed or requested by the client.

**Family Office Services:** On a regular basis, EMFO will arrange for the client to receive a written portfolio evaluation report that includes performance of the accounts receiving portfolio management services. EMFO may also supply supplemental reports that include non-discretionary assets under advisement, financial statements, etc. The specific reports supplied are based on the client's specific needs and are individually agreed upon with each client.

#### **Diminished Capacity/Suspected Fraud**

In the event the Advisor believes the client is acting in a state of diminished capacity or suspects a third party is fraudulently directing the client in such a way that would financially harm the client, the Advisor reserves the right not to transact an investment, withdrawal, or deposit. The Advisor will then report the incident to the proper authorities. Clients may wish to designate a trusted contact that the advisor can contact on the client's behalf in case of diminished capacity or suspected fraud.

### **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

As noted above, EMFO receives an economic benefit from the Custodians in the form of support products and services it makes available to EMFO and other independent investment advisors that have

their clients maintain accounts at the Custodians. These products and services, how they benefit our firm, and the related conflicts of interest are described in Item 12 - Brokerage Practices. The availability of the Custodians' products and services to EMFO is based solely on our participation in the programs and not in the provision of any particular investment advice.

### **Client Referral Arrangements**

If a client is introduced to EMFO by a solicitor, EMFO will pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from EMFO's investment management fee and shall not result in any additional charge to the client. If the client is introduced to EMFO by a solicitor, the solicitor, at the time of the solicitation, shall provide each prospective client with a copy of EMFO's Form ADV Brochure and a written disclosure statement disclosing the terms of the solicitation arrangement between EMFO and the solicitor, including the compensation to be received by the solicitor from EMFO. EMFO may also pay solicitor referral fees to affiliated members of EMFO or Emerald.

At least annually the firm will review all the third-party referral arrangements.

### **ITEM 15 – CUSTODY**

EMFO has established procedures to ensure all client funds and securities are held at an un-affiliated qualified custodian in a separate account for each client under that client's name. Account statements are delivered directly from the qualified custodian to each client at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from EMFO. On occasion, the reports may vary slightly from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. When clients have questions about their account statements or do not receive an account statement, they should contact EMFO or the custodian preparing the statement.

It is not required that EMFO have a surprise audit or file an ADV-E solely for the purpose of being able to debit advisory fees or due to certain Standing Letters of Authorization.

### **ITEM 16 – INVESTMENT DISCRETION**

As described in Item 4 - Advisory Business, EMFO will accept clients on either a discretionary or non-discretionary basis. For discretionary accounts, a Limited Power of Attorney (LPOA) is executed by the client, giving EMFO the authority to carry out various activities in the account, generally including the following: trade execution; the ability to request checks on behalf of the client; and the withdrawal of advisory fees directly from the account. EMFO then directs investment of the client's portfolio using its discretionary authority. The client may limit the terms of the LPOA to the extent consistent with the client's investment advisory agreement with EMFO and the requirements of the client's custodian.

For non-discretionary accounts, the client also generally executes an LPOA, which allows EMFO to carry out trade recommendations and approved actions in the portfolio. However, in accordance with the investment advisory agreement between EMFO and the client, EMFO does not implement trading recommendations or other actions in the account unless and until the client has approved the

recommendation or action. As with discretionary accounts, clients may limit the terms of the LPOA, subject to EMFO's agreement with the client and the requirements of the client's custodian.

#### **ITEM 17 – VOTING CLIENT SECURITIES**

**Proxies:** As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted. Clients are responsible for instructing each custodian, generally, on the custodian's account opening documentation, to send them copies of all proxy communications relating to the client's investment assets. We may provide clients with consulting assistance regarding proxy issues.

**EMFO's Policies for Class Action Lawsuit Participation:** A class action lawsuit is a lawsuit brought by one party on behalf of a group of shareholders all having the same grievance with a company in an effort to obtain a monetary compensation.

The Firm recognizes that as a fiduciary it has a duty to act with the highest obligation of good faith, loyalty, fair dealing, and due care. When a recovery is achieved in a class action, investors who owned shares in the company subject to the action have the option to either: (1) opt out of the class action and pursue their own remedy; or (2) participate in the recovery achieved via the class action. Collecting the recovery involves the completion of a Proof of Claim form which is submitted to the Claims Administrator. After the Claims Administrator receives all Proof of Claims, it dispenses the money from the settlement fund to those persons and entities with valid claims.

If "Class Action" documents are received by the Firm for a private client, i.e., separate managed account, the Firm will gather any pertinent information it has and forward to the client, to enable the client to file the "Class Action" at the client's discretion. The decision of whether to participate in the recovery or opt-out may be a legal one that the Firm is not qualified to make for the client. Therefore, the Firm generally will not file "Class Actions" on behalf of any client.

The Adviser is not responsible for processing, documenting or monitoring class actions on behalf of the client. However, as a courtesy to the Client, EMFO may assist or prepare the paperwork to file the class action on behalf of the client, providing it is readily available and financially feasible to do so for the clients of EMFO as determined by the Investment Committee and processed by Emerald's Trader, and reviewed at least periodically by the CCO or her designee.

#### **ITEM 18 – FINANCIAL INFORMATION**

Registered investment advisers are required in this Item to provide certain financial information or disclosures about our financial condition. EMFO has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.



**EMFO, LLC**

2843 Executive Park Drive

Weston, Florida 33331 (954) 385-

9624

**[www.Emeraldfamilyoffice.com](http://www.Emeraldfamilyoffice.com)**

**Brochure Supplement**

**Part 2B of Form ADV**

**March 2019**



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**ADV PART 2 B**

**Brochure Supplement for Scot L. Hunter, ChFC®**

**Of**

**EMFO, LLC**

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March 2019

This brochure supplement provides information about Scot Hunter, and supplements the EMFO, LLC ("EMFO") brochure. You should have received a copy of that brochure. Please contact us at (954)385-9624 if you did not receive EMFO's brochure, or if you have any questions about the contents of this supplement.

Additional information about Scot is available on the SEC's website at

***[www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov)***

## **Scot L. Hunter, ChFC®, Founder and Chief Strategic Officer**

### **Item 2 - Educational Background and Business Experience**

Scot L. Hunter, Founder and Chief Strategic Officer of EMFO, was born in 1960.

Scot received his Bachelor of Science in Business Administration, from the University of Nevada, Las Vegas, Nevada in 1982. He earned the \*Chartered Financial Consultant™ (ChFC®) designation in 1993.

Scot founded EMFO in 2017 and serves as its Chief Strategic Officer. He also serves as Co-Founder and CEO of Emerald Asset Advisors. He served as a Director of Emerald from 1998 to 2007. Scot also served as a Managing Member of Emerald Allocation Strategies, LLC from 2007 to 2013. He was an owner of Emerald Planning Group from 1986 to 2009 where he also served as a registered representative with MML Investor Services in connection with providing insurance related services.

\*Chartered Financial Consultant®(ChFC®)

The Chartered Financial Consultant® (ChFC®) program prepares one to meet the advanced financial planning needs of individuals, professionals, and small business owners.

To receive the ChFC® designation, one must successfully complete all courses in his/her selected program, meet the three years of full-time business experience requirement and ethics standards, and agree to comply with The American College Code of Ethics and Procedures.

ChFC® is a nine-course (seven required plus two elective courses) college-level program. Each course involves an average of 50 hours of study.

Continuing education requirements: All ChFC® certificants who matriculated after June 30, 1989 are subject to the PACE Recertification Program. If one is a ChFC® who falls into any of the following specified categories, he/she is required to earn 30 hours of CE credit every two years:

- Licensed insurance agent/broker/consultant
- Licensed security representative/registered investment adviser
- Financial consultant, attorney, accountant, employee benefits specialist, and any other individual who provides insurance, employee benefits, financial planning, or estate planning advice and counsel to the public

### **Item 3 - Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to evaluation of each supervised person providing investment advice. Scot has no information applicable to this Item.

### **Item 4 - Other Business Activities**

Scot owns Running Rebel, LLC through his Trust, for which he is the Trustee, which also owns a portion of Emerald Asset Advisors, a Registered Investment Advisor. For additional information on Emerald please refer to the firm's ADV Brochure and [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Scot is Emerald's CEO and

Portfolio Manager. Since September 1998 Scot has been the CEO of Emerald, an Investment-Related firm. Scot spends 16 hours/month devoted to Emerald and approximately 1 ½ hours/week during trading hours. Scot receives confidential information regarding EMFO's and Emerald's trading and research by way of participation in EMFO's and Emerald's Investment Committees. To mitigate any conflicts of interest, Scot is subject to EMFO's and Emerald's Code of Ethics and their reporting requirements.

Scot owns a percentage of EMJET through Running Rebel Consulting LLC – A Non-Investment Related Business. Scot spends less than 1 hour a month on EMJET and no hours during trading hours.

#### **Item 5 - Additional Compensation**

Other than the activities described above, and his role at Emerald, Scot is not engaged in any other investment- related business or occupation and does not earn compensation for the sale of any other products or services.

Mr. Hunter also receives additional compensation as a consultant for Brown & Brown Insurance in Fort Lauderdale, Florida. Mr. Hunter's compensation as a consultant is based on a payout structure, he received from the sale of his firm Emerald Benefits to Brown & Brown. Mr. Hunter provides no other services. Mr. Hunter spends less than 1% of his time on matters relating to Brown & Brown.

#### **Item 6 - Supervision**

Scot is the Founder and co-owner of EMFO. Allan Budelman is the Chief Executive Officer and co-owner of EMFO. Both are Portfolio Managers, along with Keith Stoloff, and Colm Smith and all serve on the investment committee of EMFO. Scot also participates as a team member in the investment and trading processes of Emerald.

Overall investment decisions are made as a team by the Investment Committee, and portfolio activity based on these decisions will be carried out by these individuals, as assisted by other staff members of the firm as well as Emerald for the benefit of the clients of EMFO.

Melissa Budelman is co-owner of EMFO, the Managing Partner and Chief Compliance Officer of EMFO, and for Emerald she is the Chief Operating Officer and Chief Compliance Officer. As Chief Compliance Officer, Melissa is responsible for providing compliance oversight to the staff and may be contacted at (954) 385- 9624.

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ADV PART 2 B  
Brochure Supplement for**

**Allan M. Budelman**

**of EMFO, LLC**

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MARCH 2019

This brochure supplement provides information about Allan Budelman, and supplements the EMFO, LLC ("EMFO") brochure. You should have received a copy of that brochure. Please contact us at (954)385-9624 if you did not receive EMFO's brochure, or if you have any questions about the contents of this supplement.

Additional information about Allan is available on the SEC's website at

**[www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov)**

## **Allan M. Budelman, CEO and Chief Client Advisor**

### **Item 2 - Educational Background and Business Experience**

Allan M. Budelman, EMFO's Chief Executive Officer and Chief Client Advisor, was born in 1968.

He received his Bachelor of Science in Economics from the University of Maryland, College Park, Maryland in 1992. Allan achieved a Masters in Business Administration in International Business from the University of Miami, Coral Gables, Florida in 2000.

Allan has served as the Chief Executive Officer of EMFO from July 2017 to present. He is also Chief Client Advisor and has been a member of the firm's Investment Committee since 2017. Allan is also the Managing Partner of Emerald from 2007 to present. He is also a Portfolio Manager and has been a member of the firm's Investment Committee since 2002. Allan was Emerald's Director of Operations from 1999 to 2002. His previous employment includes working for JP Morgan from 1997- 1998 as an Associate, Bankers Trust Company from 1996-1997 as an Assistant Treasurer, and Chase Manhattan Bank from 1994-1996 as an Administrator. Allan also served as a Managing Member of Emerald Allocation Strategies, LLC from 2007 - 2013.

### **Item 3 - Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to evaluation of each supervised person providing investment advice. Allan has no information applicable to this Item.

### **Item 4 - Other Business Activities**

Allan is owner and Managing Member of DDIAWA Consulting, Inc. DDIAWA also owns a portion of Emerald, a SEC Registered Investment Adviser. For additional information on Emerald, please refer to the firm's ADV Brochure and [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Since March 2007 Allan has been the Managing Partner and has been a Portfolio Manager of Emerald, an Investment-Related firm, since 2002. Allan spends 16 hours/month devoted to Emerald and approximately 1-1/2 hours a week during trading hours. Allan receives confidential information regarding EMFO's and Emerald's trading and research by way of participation in EMFO's and Emerald's Investment Committee. To mitigate any conflicts of interest, Allan is subject to EMFO's and Emerald's Code of Ethics and its reporting requirements.

Allan owns a percentage of EMJET through DDIAWA Consulting a Non-Investment related firm. Allan spends less than 1 hour a month on EMJET business and no hours during the trading day.

### **Item 5 - Additional Compensation**

Other than the activities described above, and his role with Emerald, Allan is not engaged in any other investment-related business or occupation and does not earn compensation for the sale of any other products or services.

**Item 6 - Supervision**

Allan is the Chief Executive Officer and Chief Client Advisor of EMFO. Scot Hunter is the Founder and co-owner of EMFO. Both are Portfolio Managers, along with Keith Stoloff and Colm Smith, and all serve on the investment committee of EMFO. Allan also participates as a team member in the investment and trading processes of Emerald.

Overall investment decisions are made as a team by the investment committee, and portfolio activity based on these decisions will be carried out by these individuals, as assisted by other staff members of the firm as well as Emerald for the benefit of the clients of EMFO.

Melissa Budelman is co-owner of EMFO and the Managing Partner and Chief Compliance Officer of EMFO and for Emerald she is the Chief Operating Officer and Chief Compliance Officer. As Chief Compliance Officer, Melissa is responsible for providing compliance oversight to the staff and may be contacted at 954-385-9624.

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**Brochure Supplement for**

**Keith D. Stoloff of**

**EMFO, LLC**

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**MARCH 2019**

This brochure supplement provides information about Keith Stoloff, and supplements the EMFO, LLC ("EMFO") brochure. You should have received a copy of that brochure. Please contact us at (954)385-9624 if you did not receive EMFO's brochure, or if you have any questions about the contents of this supplement.

Additional information about Keith is available on the SEC's website at

**[www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov)**

## **Keith D. Stoloff -Director and Senior Client Advisor**

### **Item 2 - Educational Background and Business Experience**

Keith D. Stoloff, CIMA®, CIMC®, CPWA®, QFOP, AWMA®, AAMS®, CMFC® was born in 1964. He received his Bachelor of Science in Finance from the University of South Florida in 1987.

Keith has served as the Director, Senior Client Advisor of EMFO since July 2017 to present. He is also a member of the firm's Investment Committee since 2017. Keith was the owner of Stoloff Investment Advisory Services, LLC from 2006 to June 2017. Keith worked on a team serving High Net Worth individuals at Raymond James & Associates, Inc. providing investment research, investment due diligence and portfolio analysis to high Net Worth individuals; Registered Representative at JB Hanauer & Company, a firm specializing in fixed income securities (July 1993 – January 2003).

CIMA® - Certified Investment Management Analyst-The CIMA® certification signifies that an individual has met initial and on-going experience, ethical, education, and examination requirements for investment management consulting, including advanced investment management theory and application. Prerequisites for the CIMA® certification are three years of financial services experience and an acceptable regulatory history. To obtain the CIMA® certification, candidates must pass an online Qualification Examination, successfully complete a one- week classroom education program provided by a Registered Education Provider at an AACSB accredited university business school and pass an online Certification Examination. CIMA® designees are required to adhere to IMCA's Code of Professional Responsibility, Standards of Practice, and Rules and Guidelines for Use of the Marks. CIMA® designees must report 40 hours of continuing education credits, including two ethics hours, every two years to maintain the certification.

CIMC® - Certified Investment Management Consultant. As of December 2003, new CIMC® certifications are no longer granted. When the designation was issued, its content focused on investment consulting. Current CIMC® designees can maintain the designation through Investment Management Consultants Association (IMCA). CIMC® designees are required to adhere to IMCA's Code of Professional Responsibility, Standards of Practice, and Rules and Guidelines for Use of the Marks. CIMC® designees must report 40 hours of continuing education credits, including two ethics hours, every two years to maintain the designation.

CPWA® - Certified Private Wealth Advisor. The CPWA® designation signifies that an individual has met initial and on- going experience, ethical, education, and examination requirements for the professional designation, which is centered on private wealth management topics and strategies for high-net-worth clients. Prerequisites for the CPWA® designation are: a Bachelor's degree from an accredited college or university or one of the following designations or licenses: CIMA®, CIMC®, CFA®, CFP®, ChFC® or CPA license; acceptable regulatory history as evidenced by FINRA Form U-4 or other regulatory requirements; five years of professional client-centered experience in financial services or a related industry; and two letters of reference from an IMCA member, professional supervisor, or currently licensed professional in financial services or a related industry. CPWA® designees have completed a rigorous educational process that includes self-study requirements, an in-class education component, and successful completion of a comprehensive examination. CPWA® designees are required to adhere to IMCA's Code of Professional Responsibility and Rules and Guidelines for Use of the Marks. CPWA



designees must report 40 hours of continuing education credits, including two ethics hours, every two years to maintain the certification. The designations and certifications below are offered through The College for Financial Planning in Greenwood Village, Colorado:

#### About the College for Financial Planning

The College for Financial Planning is a regionally-accredited institution of higher education accredited by the Higher Learning Commission and is a member of the North Central Association. The College is a wholly owned subsidiary of Apollo Group, Inc. located in Phoenix Arizona. The College offers a Master of Science degree with a Personal Financial Planning major and two Master of Science in Finance degrees, eight proprietary professional designations, and the CFP Certification Professional Education Program. Founded in 1972, the College is the country's oldest provider of financial planning education and has over 120,000 graduates from its Master's and non-degree programs. Examination Individuals are required to pass an online, timed and proctored end-of-course examination with a 70% score or higher. The examination tests the individual's ability to relate complex concepts and apply theoretical concepts to real-life situations. Designation Application After successful completion of the end-of-course examination, individuals apply for authorization to use the designation.

#### Education

The College offers eight proprietary professional designation programs covering the asset management, retirement planning, and financial planning sectors. Programs are offered in both self-study and instructor-led formats and require the successful completion of a specific curriculum covering both theoretical and practical application of the material. The curricula are developed by the College's full-time faculty with input from the country's top investment firms.

#### AAMS® - Accredited Asset Management Specialist

Individuals who hold the AAMS® designation have completed a course of study encompassing investments, insurance, tax, retirement, and estate planning issues. The program is designed for approximately 120-150 hours of self-study. The program is self-paced and must be completed within one year from enrollment.

#### AWMA® - Accredited Wealth Management Advisor

Individuals who hold the AWMA® designation have completed a course of study encompassing wealth strategies, equity-based compensation plans, tax reduction alternatives, and asset protection alternatives. The program is designed for approximately 120-150 hours of self-study. The program is self-paced and must be completed within one year from enrollment.

CMFC® - Chartered Mutual Fund Counselor Individuals who hold the CMFC® designation have completed a course of study encompassing all aspects of mutual funds and their uses as investment vehicles. The program is designed for approximately 120-150 hours of self-study. The program is self-paced and must be completed within one year from enrollment.

## CRPC® - Chartered Retirement Plan Counselor

Individuals who hold the CRPC® designation have completed a course of study encompassing pre-and post- retirement needs, asset management, estate planning and the entire retirement planning process using models and techniques from real client situations. The program is designed for approximately 120-150 hours of self-study. The program is self-paced and must be completed within one year from enrollment. Ethics & Code of Conduct: Adherence to The College for Financial Planning's Standards of Professional Conduct. Renewal Requirements Following initial conferment of one of the College for Financial Planning's professional designations, authorization for continued use of the credential must be renewed every two years by completing 16 hours of continuing education; reaffirming compliance with the Standards of Professional Conduct, Terms and Conditions; and complying with self- disclosure requirements. The College monitors its designees' compliance with the designation requirements and standards. Any alleged violations are subject to disciplinary procedures. Disciplinary Procedures Complaints against a designee may be filed by any individual using the Complaint Submission form found on the College's Financial Designation Resource website, [www.cffpdesignations.com](http://www.cffpdesignations.com). The College for Financial Planning investigates all complaints and its Ethical Conduct Committee determines whether allegations are justified and whether the conduct warrants disciplinary action. If a violation of the Standards of Professional Conduct is found, disciplinary sanctions shall be based on the seriousness of on the seriousness of the situation and may include, but are not limited to reprimand, suspension or revocation.

## QFOP Qualified Family Office Professional

The Qualified Family Office Professional (QFOP) certification program is unique in that it is modeled after many online courses offered at Ivy League institutions today, while offering more value for a more cost-effective program. The QFOP program is a self-study program that includes educational multimedia resources in video form, a study guide, required readings, and a flexible online examination process, accessible around the world. The online exam is structured so that in order to complete the exam within the 3-hour time frame one must read through all of the assigned materials and conceptually understand the majority of the material to score well enough to pass the exam. Our goal is to offer the most challenging program in the industry while also providing all of the learning tools possible to ensure participants get the most out of the experience. Qualified Family Office Professional program is sponsored by its sister company, the Global Training and Certification Institute (see above for details on the G.T.C. Institute). This certification program is designed to show and certify that you have gained an in-depth understanding and high level specialized knowledge of family offices.

## Item 3 - Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Keith has no information applicable to this Item.

**Item 4 - Other Business Activities**

Keith is the sole owner and managing member of Stoli Advisory a Non-Investment related LLC. Mr. Stoloff also provides solicitor services to Emerald and EMFO and is compensated for those services as an independent solicitor.

Keith does not earn compensation for the sale of any other service or any investment product.

**Item 5 - Additional Compensation**

Other than the information listed in Item 4, Keith has no additional sources of Compensation.

**Item 6 - Supervision**

Keith is Director and Senior Client Advisor of EMFO. Scot Hunter is the Founder and co-owner of EMFO. Allan is the Chief Executive Officer and Chief Client Advisor of EMFO. All are Portfolio Managers, and all serve on the investment committee of EMFO, along with Colm Smith. Allan Budelman and Scot Hunter also participate as team members in the investment and trading processes of Emerald. Overall investment decisions are made as a team by the investment committee, and portfolio activity based on these decisions will be carried out by these individuals, as assisted by other staff members of the firm as well as Emerald for the benefit of the clients of EMFO. Melissa Budelman is co-owner of EMFO, the Managing Partner and Chief Compliance Officer of EMFO and for Emerald she is the Chief Operating Officer and Chief Compliance Officer. As Chief Compliance Officer, Melissa is responsible for providing compliance oversight to the staff and may be contacted at 954-385-9624.

**Item 1 - Cover Page of**

**ADV PART 2 B**

**Brochure Supplement for**

**Colm Smith**

**EMFO, LLC**

2843 Executive Park Drive Weston, Florida 33331

(954) 385-9624

**[www.Emeraldfamilyoffice.com](http://www.Emeraldfamilyoffice.com)**

MARCH 2019

This brochure supplement provides information about Colm Smith and supplements the EMFO, LLC ("EMFO") brochure. You should have received a copy of that brochure. Please contact us at (954)385-9624 if you did not receive EMFO's brochure, or if you have any questions about the contents of this supplement.

Additional information about Colm is available on the SEC's website at

**[www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov)**

## **Colm Smith - Analyst**

### **Item 2 - Educational Background and Business Experience**

Colm Smith was born in 1994

He received his Bachelor of Arts from Columbia University in 2016.

Colm serves as an Analyst for EMFO on the Investment Committee since January 2018. Prior to EMFO, Colm served as an Analyst with Emerald Asset Advisors from June 2017, to January 2018. Colm was an Analyst at AGC Partners from June 2016 to March 2017. From September 2007 to May 2016 Colm was a Full-time student.

Series 65 - Uniform Investment Adviser Law Examination 2018

The Series 65 exam — the NASAA Investment Advisers Law Examination — is a North American Securities Administrators Association (NASAA) exam administered by FINRA.

The exam consists of 130 scored questions. Candidates have 180 minutes to complete the exam. In order for a candidate to pass the Series 65 exam, he/she must correctly answer at least 94 of the 130 scored questions.

For additional information about this exam, including the content outline, please visit the exams page on the NASAA website.

### **Item 3 - Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Colm has no information applicable to this Item.

### **Item 4 - Other Business Activities**

Colm has no other Business Activities

### **Item 5 - Additional Compensation**

Colm does not receive any additional compensation outside of his employment with EMFO. Colm is not receiving any commission, fee or salary for the sale of any investment product or any other service other than his Salary with EMFO.

### **Item 6 - Supervision**

Colm is an Analyst for EMFO. Keith is Director and Senior Client Advisor of EMFO. Scot is the Founder and co-owner of EMFO. Allan is the Chief Executive Officer and Chief Client Advisor of EMFO. Keith, Scot and Allan are Portfolio Managers, and all serve on the investment committee of EMFO along with Colm Smith. Allan and Scot also participate as team members in the investment and trading processes of Emerald. Overall

investment decisions are made as a team by the investment committee, and portfolio activity based on these decisions will be carried out by these individuals, as assisted by other staff members of the firm as

well as Emerald for the benefit of the clients of EMFO. Melissa is co-owner of EMFO, the Managing Partner and Chief Compliance Officer of EMFO and for Emerald, she is the Chief Operating Officer and Chief Compliance Officer. As Chief Compliance Officer, Melissa is responsible for providing compliance oversight to the staff and may be contacted at 954-385-9624.