

# **Wolfrum and Company, LLC**

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## **Form ADV Part 2A (“Brochure”) and 2B Annual Amendment dated March, 2019**

This Brochure provides information about the qualifications and business practices of Wolfrum and Company (“Wolfrum”). If you have any questions about the contents of this Brochure, please contact us at [sue@wolfrumandcompany.com](mailto:sue@wolfrumandcompany.com). The information in the Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Wolfrum will be available on the SEC’s website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (click on the link, select “Investment Adviser” search, select “Firm” and type in our firm name).

Our firm is a Registered Investment Adviser. We are required to inform you that registration itself does not imply a certain level of skill or training.

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## **Material Disclosures**

Wolfrum is a registered investment advisor with its principal location in Indianapolis, Indiana. Registration was approved by the SEC effective December 28, 2017. In March, 2019, registration was withdrawn from the SEC due to a level of assets under management less than required for SEC registration. Wolfrum registered with the Indiana Securities Division in March, 2019.

Scott became a controlling partner of the Warsaw Chemical Company and of Foundry Capital, LLC (“Foundry”). Foundry is the general partner and manager of the Foundry Mezzanine Opportunity Fund, LP, which is currently held by Wolfrum clients. Scott also has a direct relationship with some of the underlying investments within the Mezzanine Fund.

This Brochure will be updated and resubmitted to the regulatory agencies anytime material changes occur. Prospective clients of Wolfrum’s advisory services will receive a copy of Form ADV Parts 2A, 2B, and its Privacy Notice, and will be required to execute an Investment Advisory Agreement. Existing clients will receive a Privacy Notice and an updated Form ADV Parts 2A and 2B annually.

## **Wolfrum’s Privacy Policy**

Wolfrum does not sell consumer information to anyone. Confidential and non-public information is collected to provide financial advice and services, to complete transactions or to make clients aware of other services available through Wolfrum. Clients of Wolfrum receive a copy of our Privacy Notice at the inception of the new advisory relationship and on an annual basis thereafter. A copy is available upon request at no charge.

## **Advisory Business**

Wolfrum, a limited liability company, formed in Indiana in 2017 by Scott Wolfrum, who is the president and controlling shareholder.

Its founder, Scott Wolfrum (“Scott”), brings 25 years of experience in the financial services industry, most recently as owner and operator of Wolfrum Capital Management Group, previously holding its licenses through David A. Noyes & Company. For more information on Scott, refer to Form ADV Part 2B, which is attached to this Brochure.

Wolfrum provides personalized investment advice, including alternative investments and private placements, asset allocation and selection, personalized investment policy statements, risk tolerance analysis, investment implementation services and insurance advice. These services are provided primarily to high net worth individuals on a discretionary basis.

Our investment advisory services are delivered primarily through advice and consultation in the selection of appropriate portfolio strategies and the selection of portfolio managers to achieve the goals established by our clients. To arrive at an appropriate portfolio strategy we will assist clients in determining financial goals, risk tolerance, tax considerations, and developing an overall investment policy and philosophy to achieve those goals. In addition, we analyze, prepare and furnish clients with reports regarding performance of their portfolios.

The investment vehicles primarily consist of mutual funds of exchange listed securities, but may also include: securities traded over the counter, foreign issuer securities, private placements, warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, U.S. government securities, option contracts on securities, investment company securities, variable life insurance and variable annuities. In addition, we may select other investment vehicles not mentioned above if we believe those investments will meet the investment objectives of our clients, including real estate, oil and gas interests, partnerships, valuable collectibles, art, antiques, coins, minerals, privately owned businesses, hedge funds or other alternative investments. We are occasionally asked to monitor securities which clients own but have no desire or intention to sell, but those securities must be considered in determining an appropriate overall financial plan.

In order to properly advise our clients and as part of the investment planning and goal developing services, it is sometimes necessary to review, value and provide advice concerning non-securities investments. Such investments may include, but are not limited to, real estate, both personal residences and investment real estate, insurance, traditional savings accounts, alternative financing methods and vehicles and other non-traditional investments.

Our advisory services are tailored to our clients’ risk tolerance and other personal considerations.

Wolfrum offers the same services to all of its clients, however, specific client investment strategies and their implementation are dependent upon the client’s personal situation.

Wolfrum does not provide legal advice, nor does it provide specific tax-related services. Wolfrum recommends working with clients' legal counsel and accountants for a well-orchestrated approach to professional portfolio management. Clients should consult with their other professional advisors.

Wolfrum utilizes Huntleigh Securities Corporation as custodian and broker-dealer, with clearing services through First Clearing, which charges certain transaction fees. Advisors of Wolfrum may also hold insurance and annuity licenses.

### **Fees and Compensation**

Fees for the majority of clients are based on assets under management at a rate to be disclosed in an attachment to the Wolfrum Investment Advisory Agreement. A minimum fee may apply. Additionally or instead of an asset-based or minimum fee, clients will be charged commissions on certain investment products purchased through brokerage firms or insurance companies. A portion of those commissions, if applicable, will be passed through to Wolfrum.

If we charge a client by the hour or have entered into a project arrangement, we invoice the client directly or, at the request of the client, the fees may be deducted from the client's portfolio.

Asset-based and minimum fees are deducted directly from the clients' accounts by the third party custodian and then remitted to our firm. Asset-based fees are paid quarterly in advance. If we bill in advance and a client terminates our services, that client is entitled to a pro rata return of fees.

In addition to our fees, investment advisory clients may pay fees to mutual funds companies and to portfolio managers for assets managed by professional separate account managers. Our clients will also pay brokerage commissions for trades that we make in the client's account at brokerage firms, as well as custodian fees in certain instances.

When we recommend mutual fund investments to our clients, we have a bias towards "no-load" funds with no upfront, deferred, or annual sales charges. We believe these products are generally advantageous to our clients compared to funds with sales charges. Clients may purchase investments that we recommend through brokers or agents that are not affiliated with us.

Certain investment vehicles that may have been purchased through David A. Noyes pay trailer fees, which will pass through to Wolfrum (if transferred from Noyes) through a contractual agreement with Huntleigh Securities Corporation, providing clearing services through First Clearing.

Wolfrum offers its clients a variety of options for its fees. We believe that "one size does not fit all," and prefer to establish a fee schedule mutually beneficial to both parties. On rare occasion, a value-added fee might apply.

We do not have any “soft dollar” arrangements, nor do we engage in any wrap fee programs.

Fees are generally negotiable and the final fee arrangements are attached to each client’s Investment Advisor Agreement (“IA Agreement”). Clients or Wolfrum may terminate their IA Agreement without penalty within five (5) business days of signing the IA Agreement. Thereafter, clients or Wolfrum may terminate the IA Agreement with a 30-day written notice.

### **Performance-Based Fees and Side-by-Side Management**

We do not accept performance-based fees based upon a percentage of the capital appreciation of assets within clients’ brokerage accounts. However, Foundry Capital Group, LLC’s Mezzanine Fund pays a performance-based fee upon exceeding certain targets, all of which are disclosed in Mezzanine’s private placement memorandum. Wolfrum, and its advisors, will participate in those performance-based fees. Our owner, investment adviser representatives and other employees of Wolfrum may also invest personal money in the same investments as our clients if the investment objectives, risk tolerance and other investment criteria are similar to those of the client. In such cases, Wolfrum personnel invest with the same pricing our clients receive. All Wolfrum personnel must report their investment transactions to Huntleigh Securities Corporation’s compliance officer. Wolfrum’s compliance department will obtain certain transactions from personnel on a quarterly basis.

### **Types of Clients**

We generally serve high net worth individuals. Business consulting services may also be provided, primarily for a set fee. Specifics of relationships are detailed in proposals, advisory agreements or fee agreements.

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

Wolfrum analysis includes fundamental analysis, which involves the analysis of financial statements, the general financial health of companies and an analysis of the management or competitive advantages, and quantitative analysis, which deals with measurable factors such as the value of assets, cost analysis, historical projections, sales, etc. Wolfrum may benefit from research provided by Huntleigh.

Wolfrum uses long term trading strategies, short term, short sales, margin transactions and/or option trading.

We monitor performance of our clients' portfolios on a regular basis, and no less frequently than quarterly, although market and other conditions may lead to more frequent reviews.

As with any investment strategy, a risk of loss exists and clients must bear that risk. We attempt to analyze the extent of the risk in a client's portfolio and assist the client in determining if that degree of risk is appropriate to the client's investment objectives and risk tolerance.

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

Scott became sole member and general partner of Foundry Capital, LLC ("Foundry") in 2018. Foundry is the general partner and manager of the Foundry Mezzanine Opportunity Fund, LP, which is currently held by Wolfrum clients. Additionally, advisors of Wolfrum hold their insurance licenses with various insurance company providers.

Wolfrum may make referrals to other professionals such as attorneys, mortgage bankers and insurance agents that we believe would provide good service to our clients. Our relationships with these professionals are always predicated on what we believe is best for the client. Costs for other professional advisors are paid by the client.

Refer to Scott Wolfrum's ADV Part 2B, which is attached with this Brochure, for more information pertaining to Scott's experience and affiliations.

Refer to Richard Morris' ADV Part 2B, which is attached with this Brochure, for more information pertaining to David's experience and affiliations.

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

We have a Code of Ethics that we will provide to any client or prospective client upon request. The basic principal is that we are fiduciaries for our clients and are required to put their interests ahead of our own in advising them.

We do not recommend or purchase for client accounts securities in which we have a financial interest without full and fair disclosure.

We sometimes invest in the same securities as we select for our clients. This only occurs when the investment objectives, risk tolerance and other investment criteria of the Wolfrum associate are similar to those of the client. We invest on the same terms and we are subject to the same pricing as our clients. In the event that purchases or sales are made for clients and for us on the same day, purchases and sales are made first for client accounts.

### **Brokerage Practices**

Wolfrum requires that all advisory client assets remain in the physical possession of a broker, custodian bank, trust company, mutual fund or insurance company. Wolfrum will suggest to its advisory clients that they designate Huntleigh Securities Corporation (“Huntleigh”) as broker-dealer for their assets in which Wolfrum will provide financial investment advisory services. Huntleigh provides clearing services through First Clearing as custodian.

Wolfrum has negotiated cost-efficient pricing on behalf of its clients. Wolfrum currently has the technical capability to electronically interface with Huntleigh and First Clearing. In addition, subject to an advisory client’s approval, Wolfrum will electronically deduct its advisory fees directly from the advisory client’s account. Wolfrum will not assume responsibility or liability for custodians selected by the client.

Wolfrum considered the following factors in selecting a custodian and broker: professionalism, best execution, block trading, quality of execution, reliability, information technology capabilities, integrity, reasonableness of commissions, access to institutional trading and type of clientele.

Commissions are just one of several important factors to consider when choosing the appropriate broker; however, Wolfrum desires the most competitive commissions from brokers for clients’ security executions.

### **Review of Accounts**

All accounts are formally reviewed on a periodic basis depending on numerous factors including market conditions, investment strategy changes, changes in individual account asset allocations, changes in investment objective, changes in investment portfolio managers, changes in personnel within investment advisors managing client assets and a variety of other circumstances. As a practical matter, client accounts may be reviewed on an informal basis much more frequently depending on market conditions, investment strategy changes, changes in individual account asset allocations, changes in investment objective, changes in investment portfolio managers, changes in personnel within investment advisors managing client assets and a variety of other circumstances. Account reviews are also triggered by unexpected changes in the market or changing client circumstances.

Clients receive account statements, at least quarterly, directly from the Huntleigh, either by mail or electronically. Many of our clients have chosen to have direct access online to their accounts through the custodian’s web portal. Additionally, clients may access their accounts through eMoney, an asset aggregation system.

We attempt to have meetings with clients on a quarterly basis to discuss their portfolio, its performance, and to assure that no change in circumstances has occurred that would require revisions to the client’s portfolio.



### **Client Referrals and Other Compensation**

We do not receive any monetary compensation for client referrals, nor do we compensate any outside party for client referrals. We do not have any “soft dollar” arrangement with any broker/dealer.

### **Custody**

Wolfrum does not have custody of client assets.

### **Investment Discretion**

Wolfrum does not have discretionary authority on its clients’ accounts.

### **Voting Client Securities**

We do not vote client securities. Clients can choose to receive proxies and other solicitations directly from the custodian; in our experience, most choose not to receive this information.

### **Financial Information**

Neither Wolfrum, nor its management, has any financial condition that is likely to reasonably impair Wolfrum’s ability to meet contractual commitments to clients. Wolfrum nor its management, has been the subject of a bankruptcy petition.

## **Brochure Supplement**

Scott Wolfrum  
Wolfrum and Company, LLC  
President

Scott Wolfrum, born 1967, started Wolfrum & Company during the fourth quarter of 2017. He brings 25 years of experience in the financial services industry. Scott earned his degree from Indiana University with a major in Economics.

Prior to founding Wolfrum & Company, Scott was a registered representative of David A. Noyes & Company, a SEC- and FINRA-registered broker-dealer, where he was employed since May of 2013.

Scott holds the Series 7 and 63 licenses through Huntleigh Securities Corporation of St. Louis, MO, with clearing services through First Clearing. Scott also holds life, health and variable insurance licenses.

Scott is affiliated with The Human Fund as a Member and Manager, the Wolfrum Holdings LLC as a Member, Foundry Capital, LLC as sole member and general partner, the Foundry Capital Group, LLC, the Foundry Mezzanine Opportunities Fund as a member and solicitor, the Warsaw Chemical Company as a majority Partner, The Giving Tree as President, Perfinity Biosciences as Chairman of the Board and investor, MESH Systems as an investor and SuperNova as a Board Member. Scott may from time to time have an ownership or financial interest in Foundry's Mezzanine Opportunity Fund's underlying investments.

There have not been any civil or criminal actions brought against Scott, nor has there been any administrative proceedings before the SEC or other regulatory authority.

Scott is married to his wife, Amanda, and they have 4 daughters together. He is also a member of the Northview Church in Carmel, Indiana.

This Supplement is attached to, and part of, Wolfrum's Part 2 of Form ADV.

## **Brochure Supplement**

Richard L. Morris  
Wolfrum and Company, LLC  
Investment Advisor

Richard (“Rick”) born 1961, started with Wolfrum and Company in October of 2018. He brings close to 31 years of experience in the financial services industry. Rick attended Indiana State University.

Prior to Wolfrum and Company, Rick was a Vice President and Senior Trust Officer with Horizon Trust, where he was employed since June of 2016. Prior to Horizon Trust, Rick was a Vice President of Trust Services with Farmer’s State Bank for 17 years. Prior to Farmers State Bank, Rick was a Vice President with KeyBank for 12 years.

Rick passed the General Securities Representative Exam and holds the Series 7 and 66 licenses through Huntleigh Securities Corporation of St. Louis, MO, with clearing services through First Clearing.

Rick does not have any business affiliations outside of Wolfrum and Company, LLC.

There have not been any civil or criminal actions brought against Rick, nor has there been any administrative proceedings before the SEC or other regulatory authority.

Rick has 3 children Stephanie, Andrew and Geoffrey.

This Supplement is attached to, and part of, Wolfrum’s Part 2 of Form ADV.