

## ITEM 1: COVER PAGE

### PART 2A OF FORM ADV: FIRM BROCHURE



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This brochure provides information about the qualifications and business practices of Laidlaw Asset Management, LLC. ("LAM") (together, with its relying adviser affiliates, the "**Adviser**," "**we**," "**us**," or "**our**"). If you have any questions about the contents of this brochure, please contact us at 212-953-4956 or by email at: [LAM@laidlawltd.com](mailto:LAM@laidlawltd.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "**SEC**") or by any state securities authority.

Additional information about us also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **ITEM 2: MATERIAL CHANGES**

Pursuant to SEC requirements and rules, you will receive a summary of any material changes to this brochure and subsequent brochures within 120 days of the close of our fiscal year.

Our brochure may be requested, free of charge, by contacting us by telephone at: (212) 600-2044 or by email at: [LAM@laidlawltd.com](mailto:LAM@laidlawltd.com).

The following material changes have been made to this document since its last annual update on March 7, 2019:

- Laidlaw Asset Management, LLC has updated has updated their Assets Under Management (Item 4E).

## ITEM 3: TABLE OF CONTENTS

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## **ITEM 4: ADVISORY BUSINESS**

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

Laidlaw Asset Management, LLC (“LAM” or “Firm”) is incorporated in the state of New York. LAM became registered as an Investment Adviser Firm in New York on September 3, 2009. Laidlaw Holdings, PLC is the sole principal owner of the firm.

Laidlaw Holdings, PLC is jointly and equally owned by the Buff and Garnet Trust with Mr. John P. Tesei serving as Trustee.

### **B. Description of Advisory Services**

#### **INVESTMENT ADVISORY SERVICES**

LAM manages investment portfolios for individuals, pension and profit sharing plans, trusts, and business entities. LAM works with the client to determine the client’s investment objectives, tax situation and risk tolerance. LAM will create an overall allocation by investing the portfolio among various asset classes.

LAM primarily manages portfolios on a discretionary basis. LAM primarily recommends portfolios consisting of no-load, institutional class mutual funds or exchange traded funds in addition to structured products and individual fixed income securities. LAM primarily acts as a fee-only investment advisor for clients. For certain profit sharing plans or other accounts held by the client LAM will manage the accounts on a discretionary basis.

#### **CUSTODIAL ARRANGEMENTS**

LAM primarily recommends that investment management accounts be maintained at Charles Schwab & Co, Inc. and INTL FCStone Financial, Inc., each registered broker-dealer firms. LAM shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services LAM will ascertain each client’s investment objective(s). The client may, at any time, impose reasonable restrictions, in writing, on LAM’s services.

### **C. Availability of Customized Services for Individual Clients**

Depending upon the engagement, LAM offers its services on a fee basis which are based upon assets under management.

Alternatively, and depending on the needs of the client, certain of LAM’s supervised persons offer securities brokerage services and insurance products under a commission arrangement in their separate capacities as registered representatives of our affiliated broker-dealer.

Prior to engaging LAM to provide any of the foregoing investment advisory services, the

client will be required to enter into one or more written agreements with LAM setting forth the terms and conditions under which LAM shall render its services (collectively the “*Agreement*”).

**D. Wrap Fee Programs**

We do not participate in a wrap fee program.

**E. Assets Under Management**

As of May 2019, LAM had \$103,040,112.00 under discretionary AUM and \$4,056,308.00 under non-discretionary AUM.

## **ITEM 5: FEES AND COMPENSATION**

**A. Advisory Services and Fees**

### **INVESTMENT ADVISORY SERVICES**

LAM primarily provides discretionary investment advisory services on a *fee-only* basis. LAM’s annual investment advisory fee is negotiable and is based upon a percentage (%) of the market value of the assets placed under LAM’s management pursuant to the agreement with the client up to a maximum of 2%.

LAM generally requires an account minimum of \$25,000 for investment management services. LAM’s annual investment management fee shall be pro-rated and paid quarterly, in advance, based upon the market value of the assets on the first day of each calendar quarter. However, LAM, in its sole discretion, may require a lesser account minimum or charge a lesser investment management fee based upon certain criteria. Lower fees for comparable services may be available from other sources.

**B. Payment of Fees**

LAM’s advisory fees are deducted from their custodial account. Both LAM’s Investment Advisory Agreement and the custodial/ clearing agreement may authorize the custodian to debit the account for the amount of LAM’s investment advisory fee and to directly remit that management fee to LAM in compliance with regulatory procedures. LAM shall deduct fees quarterly in advance, based upon the market value of the assets on the first day of each calendar quarter.

**C. Additional Expenses and Fees**

The fees charged by any designated broker-dealer/custodian, are exclusive of, and in addition to, LAM’s investment management fee. In addition to LAM’s investment management fee, the client shall also incur charges imposed at the mutual fund level (*e.g.* management fees and other fund expenses).

Please refer to section, “Brokerage Arrangements” for any brokerage-related fees.  
At all times clients have the option to purchase investment products recommended by LAM through unaffiliated brokers or agents.

**D. Prepayment of Fees**

For all asset based fees paid in advance the fee refunded will be the balance of the fees collected in advance minus the daily rate\* times the number of days in the quarter up to and including the day of termination. (\*The daily rate is calculated by dividing the quarterly AUM fee by the number of days in the termination quarter).

**E.** As described in items 10A, supervised persons of LAM, in their separate capacities as registered representatives of our affiliated broker-dealer, receive compensation for the sale of securities, including 12b-1 fees for the sale of mutual funds. However, supervised persons will not receive any such compensation on the sale of securities in advisory accounts. In addition, clients always have the option to purchase recommended products through other brokers not affiliated with LAM.

**ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE  
MANAGEMENT**

LAM does not charge performance-based fees.

**ITEM 7: TYPES OF CLIENTS**

LAM’s clients shall generally include individuals, pension and profit sharing plans, trusts, and business entities.

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

**A. Methods of Analysis and Investment Strategies**

Security analysis methods involve the following fundamental analysis:

Modern Portfolio Theory – LAM's investment approach is firmly rooted in the belief that markets are “efficient” and that investor’s returns are determined primarily by asset allocation decisions, rather than market timing or security selection. LAM recommends diversified portfolios, principally through the use of passively managed mutual funds.

LAM may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year) LAM's investment philosophy is designed for investors who desire a buy and hold strategy, with an investment time horizon minimum of five years and preferably ten years or more.
- Short Term Purchases (securities sold within a year)

## **B. Risk of Loss**

LAM's methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis, LAM must have access to current/new market information. LAM has no control over the dissemination rate of market information; therefore, unbeknownst to LAM, certain analyses may be compiled with outdated market information, severely limiting the value of the LAM's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

LAM's primary investment strategies - Long Term Purchases and Short Term Purchases - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop.

Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy.

## **C. Recommendation of a Particular Type of Security**

There are no material limitations to the types of securities in which we may invest our Clients (subject to anything to the contrary in the relevant advisory agreement, offering document, or organizational documents of a particular Client).

# **ITEM 9: DISCIPLINARY INFORMATION**

The firm and its employees have not been involved in any legal or disciplinary events related to past or present investment clients.

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

## **A. Broker-Dealer Registration**

LAM is affiliated with Laidlaw Holdings, Inc. that has an affiliated FINRA-member broker-dealer, Laidlaw & Co (UK) Ltd. The broker-dealer is engaged in the purchase and sale of securities to public customers such as individuals, pension and profit sharing plans, and corporate,

trust, estate and retirement accounts.

In addition, as discussed above in Item 5E, the Supervised Persons of LAM, in their respective individual capacities as registered representatives of LAM's affiliated broker-dealer, Laidlaw & Co (UK) Ltd., will affect securities brokerage transactions on a fully-disclosed commission basis.

LAM has established a variety of restrictions, procedures, and disclosures designed to address conflicts of interest arising between advisory accounts on one hand and the firm's affiliated businesses on the other. It is LAM's policy that personnel of LAM involved in decision-making for advisory accounts ("Advisory Personnel") must act in the best interests of their advisory clients and generally (but not exclusively) without knowledge of the interests of other operations of the firm and/or personnel of the firm ("Personnel").

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

Neither LAM, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.

**C. Material Relationships and Conflicts of Interests**

All material conflicts, if applicable, have been disclosed to each client in writing before entering or renewing an advisory agreement with that client regarding the investment adviser, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.

LAM has an agreement with its affiliated broker-dealer for the registered representatives of the broker-dealer to refer clients to LAM for advisory services. LAM will compensate the broker-dealer for the referrals and the broker-dealer will, in turn, compensate the individual registered representatives. At the time of the referral, clients will receive disclosure of the arrangement including the nature of the compensation.

**D. Material Conflicts of Interest Relating to Other Investment Advisers**

LAM does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

**ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

**A. Code of Ethics**

LAM maintains an investment policy relative to personal securities transactions. This investment policy is part of LAM's overall Code of Ethics, which serves to establish a standard of



business conduct for all of LAM's members that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

**B. Recommending, Buying, or Selling Securities in which We or a Related Person Have a Material Financial Interest, Invest, or Buy or Sell at Same Time; Conflict of Interests**

Accordingly, employees of LAM must avoid activities, interests and relationships that run contrary (or appear to run contrary) to the best interests of LAM's clients. At all times, employees of LAM will (i) place LAM's client's interests ahead of LAM's and their own interests, (ii) pre-clear certain personal securities transactions, (iii) report personal securities transactions at least quarterly, (iv) provide LAM with a detailed summary of certain investment holdings (both initially upon commencement of employment and annually thereafter) over which such employees have a direct or indirect beneficial interest, (v) abide by LAM's Insider Trading Policy, (vi) avoid taking advantage of their position of employment (i.e., employees will not accept investment opportunities, gifts, or other gratuities from individuals seeking to conduct business with LAM, other than in accordance with LAM's Gift Policy), and (vii) maintain full compliance with the Federal Securities Laws, including, but not limited to, Section 204A and Rule 204A-1 of the Advisers Act. LAM shall, upon request, furnish clients and prospective clients with a copy of the Code of Ethics.

## **ITEM 12: BROKERAGE PRACTICES**

**A. Selection of Broker-Dealers and Reasonableness of Compensation**

LAM recommends Charles Schwab & Co., Inc. Advisor Services and INTL FC Stone.

LAM seeks to obtain the best execution in making its decisions regarding brokerage allocation for clients, taking into account such factors as, without limitation, the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); the operational efficiency with which transactions are effected, taking into account the size of order and difficulty of execution; the level of anonymity provided; the number of errors committed by each broker; access to liquidity and investment opportunities; the financial strength, integrity and stability of the broker; the quality, comprehensiveness and frequency of available research services considered to be of value; and the competitiveness of commission rates in comparison with other brokers satisfying LAM's other selection criteria. LAM is authorized to pay higher prices for the purchase of securities from, or accept lower prices for the sale of securities to, brokerage firms that provide LAM with investment and research information.

In addition, since commission rates in the United States are negotiable, selecting brokers on the basis of considerations which are not limited to applicable commission rates may at times result in higher transaction costs than would otherwise be obtainable. Therefore, although LAM generally seeks competitive commission rates and commission equivalents, it will not necessarily pay the lowest commission or equivalent. Such practices will occur if

LAM determines that such prices or commissions are reasonable in relation to the overall brokerage and research products and services provided.

LAM does not receive soft dollars from broker-dealers.

LAM has an agreement with its affiliated broker-dealer for the registered representatives of the broker-dealer to refer clients to LAM for advisory services. LAM will compensate the broker-dealer for the referrals and the broker-dealer will, in turn, compensate the individual registered representatives. At the time of the referral, clients will receive disclosure of the arrangement including the nature of the compensation.

**B. Aggregating Orders for Various Client Accounts**

When executing a trade in various accounts we aggregate the trade by purchasing the security during the day and averaging the price paid. Each client receives the average price.

**C. Trade Errors**

Trade and other clerical errors resulting in gains will be for the benefit of the client and will not be retained by LAM. LAM is under no obligation, however, to reimburse the client for trade and other clerical errors made by LAM, its agents and affiliates, as such errors are considered by LAM to be a cost of doing business.

While LAM is under no obligation to reimburse the client for trade and other clerical errors made by LAM, its agents and affiliates, any correction of a trade or other clerical error will only be made to the extent required so that the client does not incur a loss related to such error.

Notwithstanding the foregoing, LAM will be obligated to reimburse the client for any trade or other clerical error resulting from the LAM's willful misconduct, gross negligence or material breach under the exculpation of liability and indemnification provisions of the Investment Management Agreements maintained with the client. LAM, subject to its fiduciary obligations, will determine whether or not any trade or other clerical error is required to be reimbursed in accordance with such liability and exculpation provisions. LAM, in its sole discretion, reserves the right to reimburse the client for any trade or other clerical error. LAM's reimbursement of the client for any particular error will not constitute a waiver of any policy to cause the client to bear the losses from other trade or other clerical errors.

## **ITEM 13: REVIEW OF ACCOUNTS**

**A. Periodic Review of Client Accounts**

For those clients to whom LAM provides investment supervisory services, account reviews are conducted on an ongoing basis by LAM's CCO, Alex Shtaynberger. All investment advisory clients are advised that it remains their responsibility to advise LAM of any changes in their investment objectives and/or financial situation.

**B. Additional Review of Client Accounts**

LAM may conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.

**C. Contents and Frequency of Account Reports to Clients**

Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the custodian. LAM may also provide a written periodic report summarizing account activity and performance.

**ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

**A. Economic Benefits for Providing Services to Clients**

Charles Schwab & Co., Inc. Advisor Services provides LAM with access to Charles Schwab & Co., Inc. Advisor Services' institutional trading and custody services, which are typically not available to Charles Schwab & Co., Inc. Advisor Services retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Charles Schwab & Co., Inc. Advisor Services. Charles Schwab & Co., Inc. Advisor Services includes brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, 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. For LAM client accounts maintained in its custody, Charles Schwab & Co., Inc. Advisor Services generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Charles Schwab & Co., Inc. Advisor Services or that settle into Charles Schwab & Co., Inc. Advisor Services accounts.

Charles Schwab & Co., Inc. Advisor Services also makes available to LAM other products and services that benefit LAM but may not benefit its clients' accounts. These benefits may include national, regional or LAM specific educational events organized and/or sponsored by Charles Schwab & Co., Inc. Advisor Services. Other potential benefits may include occasional business entertainment of personnel of LAM by Charles Schwab & Co., Inc. Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist LAM in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts, if applicable), provide research, pricing information and other market data, facilitate payment of LAM's fees from its clients' accounts (if applicable), and assist with back-office training and support functions, recordkeeping

and client reporting. Many of these services generally may be used to service all or some substantial number of LAM's accounts. Charles Schwab & Co., Inc. Advisor Services also makes available to LAM other services intended to help LAM manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, and human capital consultants, insurance and marketing. In addition, Charles Schwab & Co., Inc. Advisor Services may make available, arrange and/or pay vendors for these types of services rendered to LAM by independent third parties. Charles Schwab & Co., Inc. Advisor Services 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 LAM. LAM is independently owned and operated and not affiliated with Charles Schwab & Co., Inc. Advisor Services.

**B. Compensation to Non-Supervised Persons for Client Referrals**

As described above in Item 10A, LAM compensates Laidlaw & Co. (UK) Ltd., an affiliated broker-dealer, for client referrals.

## **ITEM 15: CUSTODY**

LAM shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. LAM may also provide a written periodic report summarizing account activity and performance.

**Please Note:** To the extent that LAM provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by LAM with the account statements received from the account custodian.

**Please Also Note:** The account custodian does not verify the accuracy of LAM's advisory fee calculation.

## **ITEM 16: INVESTMENT DISCRETION**

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

## **ITEM 17: VOTING CLIENT SECURITIES**

LAM does not vote client proxies. Therefore, although LAM provides investment

advisory services relative to client investment assets, LAM's clients maintain responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. LAM and/or the client shall correspondingly instruct each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

Clients may contact LAM to discuss any questions they may have with a particular solicitation.

## **ITEM 18: FINANCIAL INFORMATION**

### **A. Balance Sheet**

LAM does not solicit fees of more than \$1,200 per client, six months or more in advance.

### **B. Contractual Commitments to Our Clients**

LAM does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

### **C. Bankruptcy Petitions**

LAM has not been the subject of a bankruptcy petition.