

# **DISCLOSURE BROCHURE**

## **Emergent Wealth Advisors, LLC**

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This brochure provides information about the qualifications and business practices of Emergent Wealth Advisors, LLC. Being registered as a registered investment adviser does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at 716-828-8390. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about Emergent Wealth Advisors, LLC (CRD #174845) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

**MARCH 15, 2019**

## **Item 2: Material Changes**

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### **Annual Update**

The Material Changes section of this brochure will be updated annually or when material changes occur since the previous release of the Firm Brochure.

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### **Material Changes since the Last Update**

This filing is in accordance with the annual filing. Since the last filing on January 10, 2018, the following has been updated:

- The cover page has been updated to disclose a new email address and website.
  - Item 4 has been updated to disclose the most recent calculation for client assets under management.
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### **Full Brochure Available**

This Firm Brochure being delivered is the complete brochure for the Firm.

**Item 3: Table of Contents**  
**Form ADV – Part 2A – Firm Brochure**

**Item 1: Cover Page**

**Item 2: Material Changes ..... ii**

Annual Update ..... ii

Material Changes since the Last Update..... ii

Full Brochure Available..... ii

**Item 3: Table of Contents..... iii**

**Item 4: Advisory Business ..... 6**

Firm Description ..... 6

Types of Advisory Services ..... 6

Client Tailored Services and Client Imposed Restrictions..... 9

Wrap Fee Programs..... 9

Client Assets under Management ..... 9

**Item 5: Fees and Compensation ..... 9**

Method of Compensation and Fee Schedule..... 9

Client Payment of Fees ..... 14

Additional Client Fees Charged..... 14

Prepayment of Client Fees ..... 14

External Compensation for the Sale of Securities to Clients..... 14

**Item 6: Performance-Based Fees and Side-by-Side Management..... 15**

Sharing of Capital Gains ..... 15

**Item 7: Types of Clients ..... 15**

Description ..... 15

Account Minimums ..... 15

**Item 8: Methods of Analysis, Investment Strategies and Risk of Loss ..... 15**

Methods of Analysis..... 15

Investment Strategy ..... 16

Security Specific Material Risks..... 16

**Item 9: Disciplinary Information..... 17**

Criminal or Civil Actions ..... 17

Administrative Enforcement Proceedings ..... 17

Self Regulatory Organization Enforcement Proceedings..... 17

<b>Item 10: Other Financial Industry Activities and Affiliations .....</b>	<b>17</b>
Broker-Dealer or Representative Registration .....	17
Futures or Commodity Registration .....	17
Material Relationships Maintained by this Advisory Business and Conflicts of Interest .....	17
Recommendations or Selections of Other Investment Advisors and Conflicts of Interest .....	18
<b>Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....</b>	<b>18</b>
Code of Ethics Description .....	18
Investment Recommendations Involving a Material Financial Interest and Conflict of Interest .....	19
Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest .....	19
Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest .....	19
<b>Item 12: Brokerage Practices .....</b>	<b>19</b>
Factors Used to Select Broker-Dealers for Client Transactions .....	19
Aggregating Securities Transactions for Client Accounts .....	20
<b>Item 13: Review of Accounts .....</b>	<b>20</b>
Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved .....	20
Review of Client Accounts on Non-Periodic Basis .....	21
Content of Client Provided Reports and Frequency .....	21
<b>Item 14: Client Referrals and Other Compensation .....</b>	<b>21</b>
Economic benefits provided to the Advisory Firm from External Sources and Conflicts of Interest .....	21
Advisory Firm Payments for Client Referrals .....	22
<b>Item 15: Custody .....</b>	<b>22</b>
Account Statements .....	22
<b>Item 16: Investment Discretion .....</b>	<b>22</b>
Discretionary Authority for Trading .....	22
<b>Item 17: Voting Client Securities .....</b>	<b>22</b>
Proxy Votes .....	22
<b>Item 18: Financial Information .....</b>	<b>22</b>
Balance Sheet .....	22
Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients .....	23
Bankruptcy Petitions during the Past Ten Years .....	23

<b>Brochure Supplement (Part 2B of Form ADV)</b>	<b>25</b>
Principal Executive Officer	25
Nicholas John Efthemis CFP®	25
Professional Certifications	25
Educational Background and Business Experience	26
Disciplinary Information	26
Other Business Activities	26
Additional Compensation	26
Supervision	26
<b>Brochure Supplement (Part 2B of Form ADV)</b>	<b>28</b>
Charles E. Hanny CFP®, CRPC®	28
Professional Certifications	28
Educational Background and Business Experience	29
Disciplinary Information	29
Other Business Activities	29
Additional Compensation	30
Supervision	30

## Item 4: Advisory Business

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### **Firm Description**

Emergent Wealth Advisors, LLC (“Emergent”) was founded in 2011 and became registered as an investment advisor in 2015. Nicholas J. Efthemis is 50% owner and Chief Compliance Officer; Charles E. Hanny is 50% owner.

Emergent is a fee based financial planning and investment management firm. The firm does not sell annuities and insurance products, but the managing partners offers insurance products as a sole proprietor to clients.

Emergent does not act as a custodian of client assets.

An evaluation of each client's initial situation is provided to the client, often in the form of a net worth statement, risk analysis or similar document. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

Other professionals (e.g., lawyers, accountants, tax preparers, insurance agents, etc.) are engaged directly by the client on an as-needed basis and may charge fees of their own. For example, tax preparation and to the extent your estate plan needs to be updated, the tax preparer and/or attorney will bill the client separately. Conflicts of interest will be disclosed to the client in the event they should occur.

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### **Types of Advisory Services**

#### ASSET MANAGEMENT

Emergent offers discretionary direct asset management services to advisory clients. Emergent will offer clients ongoing portfolio management services through determining individual investment goals, time horizons, objectives, and risk tolerance. Investment strategies, investment selection, asset allocation, portfolio monitoring and the overall investment program will be based on the above factors. The client will authorize Emergent discretionary authority to execute selected investment program transactions as stated within the Investment Advisory Agreement.

Additionally, Emergent offers discretionary asset management services to clients by selecting the AssetMark Platform. For more information regarding the AssetMark Platform, refer to AssetMark Platform Disclosure Brochure.

The minimum investment required on the AssetMark Platform depends upon the Investment Solution chosen for a Client's account and is generally \$25,000-\$50,000 for Mutual Fund and \$25,000 for ETF Accounts, and from \$50,000 to \$500,000 for Privately Managed and Unified Managed Accounts, depending on the investment strategy selected for the account. These minimums are described in more detail in the AssetMark Platform Disclosure Brochure. Accounts below the stated minimums may be accepted on an individual basis at the discretion of AssetMark.

#### FTJ FundChoice

Emergent also offers discretionary management services through a program sponsored by FTJ FundChoice (“FTJ”). The terms and conditions under which the client shall engage FTJ shall be set forth in separate written agreements between (1) the client and Emergent and (2) the client and FTJ. Emergent shall continue to render advisory services to the client relative to the ongoing monitoring and review of account performance, for

which Emergent shall receive an annual advisory fee which is based upon a percentage of the market value of the assets being managed by FTJ. Factors that Emergent shall consider in recommending FTJ include the client's stated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. The investment management fees charged by FTJ are exclusive of, and in addition to, Emergent's investment advisory fee set forth below. In addition to Emergent's written disclosure statement, the client shall also receive the written disclosure statement of FTJ. Clients should review FTJ's ADV Part 2 or Terms of Use for additional details regarding services.

#### SEI Managed Accounts Solutions

Emergent offers discretionary management services through a program sponsored by SEI Investments Management Corp (SIMC). SIMC has developed a standard managed account solutions ("MAS"), which program includes SEI's distribution focused strategies, an integrated managed account solutions providing a tax overlay service ("Tax Management") and a Goals Based Investing managed account solutions, consisting of MAS and Tax Management portfolios invested in accordance with SEI's goals-based investment solutions and, may, in the future, develop additional managed account solutions (collectively, the "Managed Account Solutions"). Under this program, SIMC acts as a co-investment advisor to the Investor, along with Emergent, pursuant to a tri-party investment management agreement executed among SIMC, Emergent and each Investor investing assets into the Managed Account Solutions (the "Tri-party Agreement"). For each Managed Account Solutions, SIMC is responsible for developing managed account portfolios designed to be invested in accordance with a stated investment objective (the "Managed Account Portfolios"). For each Managed Account Portfolio, other than the Managed Account Portfolios implementing distribution-focused strategies (the "DFS Portfolios"), SIMC is solely responsible for screening, reviewing and selecting the various money managers and/or individual mutual funds and Other Assets available for selection by Advisors and their Investors designed to meet the specific Managed Account Portfolio's stated investment objective or goal. For each DFS Portfolio, SIMC is responsible for selecting the SEI Funds and/or Other Assets underlying each DFS Portfolio and actively managing each Investor Account invested in a DFS Portfolio in accordance with the portfolio's investment objectives.

#### SEI Mutual Fund Models Program and SEI Funds

Emergent offers discretionary management services through a program sponsored by SEI Investments Management Corp (SIMC). SIMC has developed various model mutual fund asset allocation portfolios (the "Mutual Fund Models") designed to be invested in accordance with a stated investment objective or goal (the "Mutual Fund Models Program"). SIMC currently develops its Mutual Fund Models through two underlying programs, described in various SEI literature as either SEI's Institutional Mutual Fund models or SEI's Goals Based Investing models and, may in the future, develop additional mutual fund model programs. Each Mutual Fund Model's underlying portfolio allocation is generally comprised exclusively of mutual funds in the SEI family of funds ("SEI Funds"), which are each advised by SIMC. Pursuant to the Mutual Fund Models Program, SEI will make available its various Mutual Fund Models to Emergent who, in turn, may assist Investors in determining into which Mutual Fund Models to invest their assets.

#### ERISA PLAN SERVICES

Emergent provides limited scope ERISA 3(21) fiduciary services to qualified retirement plans including 401(k) plans, 403(b) plans, pension and profit sharing plans, cash

balance plans, and deferred compensation plans. As a limited scope ERISA 3(21) fiduciary that can advise, help and assist plan sponsors with their investment decisions on a non-discretionary basis. As an investment advisor Emergent has a fiduciary duty to act in the best interest of the client. The plan sponsor is still ultimately responsible for the decisions made in their plan, though using Emergent can help the plan sponsor delegate liability by following a diligent process.

1. Fiduciary Services are:

- Provide non-discretionary investment advice to the Client about asset classes and investment alternatives available for the Plan in accordance with the Plan's investment policies and objectives. Client will make the final decision regarding the initial selection, retention, removal and addition of investment options. Emergent acknowledges that it is a fiduciary as defined in ERISA section 3 (21) (A) (ii).
- Assist the Client in the development of an investment policy statement ("IPS"). The IPS establishes the investment policies and objectives for the Plan. Client shall have the ultimate responsibility and authority to establish such policies and objectives and to adopt and amend the IPS.
- Provide non-discretionary investment advice to the Plan Sponsor with respect to the selection of a qualified default investment alternative for participants who are automatically enrolled in the Plan or who have otherwise failed to make investment elections. The Client retains the sole responsibility to provide all notices to the Plan participants required under ERISA Section 404(c) (5) and 404(a)-5.
- Assist in monitoring investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformance to the guidelines set forth in the IPS and make recommendations to maintain, remove or replace investment options.
- Meet with Client on a periodic basis to discuss the reports and the investment recommendations.

2. Non-fiduciary Services are:

- Assist in the education of Plan participants about general investment information and the investment alternatives available to them under the Plan. Client understands Emergent's assistance in education of the Plan participants shall be consistent with and within the scope of the Department of Labor's definition of investment education (Department of Labor Interpretive Bulletin 96-1). As such, Emergent is not providing fiduciary advice as defined by ERISA 3(21)(A)(ii) to the Plan participants. Advisor will not provide investment advice concerning the prudence of any investment option or combination of investment options for a particular participant or beneficiary under the Plan.
- Assist in the group enrollment meetings designed to increase retirement plan participation among the employees and investment and financial understanding by the employees.

Emergent may provide these services or, alternatively, may arrange for the Plan's other providers to offer these services, as agreed upon between Advisor and Client.

3. Emergent has no responsibility to provide services related to the following types of assets ("Excluded Assets"):

- a. Employer securities;
- b. Real estate (except for real estate funds or publicly traded REITs);
- c. Stock brokerage accounts or mutual fund windows;
- d. Participant loans;



- e. Non-publicly traded partnership interests;
- f. Other non-publicly traded securities or property (other than collective trusts and similar vehicles); or
- g. Other hard-to-value or illiquid securities or property.

Excluded Assets will **not** be included in calculation of Fees paid to Emergent on the ERISA Agreement.

Specific services will be outlined in detail to each plan in the 408(b)2 disclosure.

#### **FINANCIAL PLANNING AND CONSULTING**

If financial planning services are applicable, the client will compensate Emergent on a negotiable fixed fee basis described in detail under “Fees and Compensation” section of this brochure. Services include but are not limited to a thorough review of all applicable topics including Estate Plan/Trusts, Investments, Taxes, Retirement Planning and Insurance. If conflict of interest exists between the interests of the investment advisor and the interests of the client, the client is under no obligation to act upon the investment advisor’s recommendation. If the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through Emergent. Financial plans and/or consultations will be completed and delivered inside of ninety (90) days.

Financial plans and/or consulting are based on your financial situation at the time Emergent presents the plan to you, and on the financial information you provided to Emergent. You must promptly notify Emergent if your financial situation, goals, objectives, or needs change.

You are under no obligation to act on our financial planning or consulting recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan through any of our other investment advisory services. Moreover, you may act on our recommendations by placing securities transactions with any brokerage firm.

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

The goals and objectives for each client are documented in our client files. Investment strategies are created that reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without written client consent.

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#### **Wrap Fee Programs**

Emergent does not sponsor a wrap fee program, nor do they act as a portfolio manager for a wrap fee program.

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#### **Client Assets under Management**

As of November 8, 2019, Emergent had approximately \$72,562,008 client assets under management on a discretionary basis.

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

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#### **Method of Compensation and Fee Schedule**

##### **ASSET MANAGEMENT**

Emergent offers discretionary direct asset management services to advisory clients. Emergent charges an investment advisory fee based on the client’s net worth as follows:

Assets Under Management	Maximum Annual Fee
Up to \$1,000,000	1.5%
\$1,000,001 - \$3,000,000	1.00%
Over \$3,000,000	Negotiable

The annual Fee may be negotiable. Accounts within the same household may be combined for a reduced fee. Fees are billed quarterly in advance based on the amount of assets managed as of the last business day of the previous quarter. Initial fees for partial quarters are pro-rated. Quarterly advisory fees deducted from the clients' account by the custodian will be reflected in a provided fee invoice as fees are withdrawn. Lower fees for comparable services may be available from other sources. Clients may terminate their account within five (5) business days of signing the Investment Advisory Agreement for a full refund. Clients may terminate advisory services with thirty (30) days written notice. For accounts closed mid-quarter, the client will be entitled to a pro rata refund for the days service was not provided in the final quarter. Client shall be given thirty (30) days prior written notice of any increase in fees, and client will acknowledge, in writing, any agreement of increase in said fees.

When deemed appropriate for the client, Emergent may hire other advisors to manage all or a portion of the assets. Emergent currently has relationships with the following advisor platforms.

#### AssetMark Platform

Accounts on the AssetMark Platform are assessed a total Account Fee. This Account Fee includes Emergent's fee detailed in the schedule below. Fees and compensation for using the AssetMark Platform are provided in more detail in the AssetMark Platform Disclosure Brochure. Discretionary Manager Fee schedules are included in the Client Billing Authorization or the Appendix A to the Client Service Agreement.

The fees applicable to each Account on the AssetMark Platform may include:

- 1) Financial Advisor Fee;
- 2) Platform Fee; and
- 3) Investment Manager Fee

Other fees for special services may also be charged. The Client should consider all applicable fees.

#### **1) Financial Advisor Fee**

Assets Under Management	Maximum Annual Fee
Up to \$1,000,000	1.5%
\$1,000,001 - \$3,000,000	1.00%
Over \$3,000,000	Negotiable

#### **2) Platform fee schedules**

- Single strategy Mutual Fund, and ETF Accounts: 0.00% - 1.25%
- Guided Portfolios: 0.00% - 0.95%
  - Additional third-party fees may apply.
- Privately Managed Accounts (IMA and CMA): 0.25% - 0.90%
  - Additional third-party fees may apply.
- Savos UMA Accounts (PMP, GMS, and ARO): 0.00% - 0.65%

- In addition to the Platform fee, there is a flat 0.60% Investment Manager Fee for UMA accounts.
- Fixed Income IMA: 0.15% - 0.30%
- Administrative fee for administrative/non managed accounts: 0.10% - 0.25%

### **3) Investment Manager Fee**

Each of the Investment Managers may charge a separate Investment Manager Fee directly to the Client, calculated as a percentage of the total assets managed by the Investment Manager, which is in addition to the overall investment Advisory Fee negotiated between the Client and the Financial Advisory Firm. The fee charged by each Investment Manager is specified on the individual Discretionary Manager Designation incorporated in the Client Services Agreement and executed by the Client. Fees will vary from Investment Manager to Investment Manager; a complete list of fee schedules of the Investment Managers participating in the Platform is available from the Financial Advisory Firm by request.

#### **FTJ FundChoice**

For the FTJ Program Emergent charges an annual investment advisory fee based on the total assets under management as follows:

Assets Under Management	Maximum Annual Fee
Up to \$1,000,000	1.5%
\$1,000,001 - \$3,000,000	1.00%
Over \$3,000,000	Negotiable

The annual fee may be negotiable. Accounts within the same household may be combined for a reduced fee. Lower fees for comparable services may be available from other sources. Emergent will charge an advisory fee based on the above schedule for the services we provide.

FTJ does not receive any portion of the advisory fee as it relates to the client account. The fees are charged monthly in arrears and are based on the average daily account balance for the period for the prior month. Fees for FTJ services include:

- Administration Fees (reporting and accounting services – ranging from 0.15% - 0.45%),
- Account Maintenance Fees (\$25 or \$50 per account annually), and
- Strategist Fees (range from 0.0% to 0.20%).
- ETF Trading and Custody Fee (range from 0.10% to 0.20%)

Fees are automatically deducted from the client's account by FTJ; FTJ will pay Emergent their portion of the fees. Emergent does not have the ability to directly deduct their advisory fee from the client account.

Clients may terminate their account within five (5) business days of signing the Investment Advisory Agreement with no obligation. For accounts closed mid-month, Emergent will be entitled to a pro rata fee for the days service was provided in the final month. Client shall be given thirty (30) days prior written notice of any increase in fees. Any increase in fees will be acknowledged in writing by both parties before any increase in said fees occurs.

### SEI Managed Account Solutions

For the SEI Managed Account Solutions (MAS) program Emergent charges an annual investment advisory fee based on the total assets under management as follows:

Assets Under Management	Maximum Annual Fee
Up to \$1,000,000	1.5%
\$1,000,001 - \$3,000,000	1.00%
Over \$3,000,000	Negotiable

The annual fee may be negotiable.

SIMC's advisory fee schedule for MAS range from .10% to 1.25%. Certain Clients may receive a fee discount, at the sole discretion of SIMC. These fees may be higher or lower than those charged by other investment advisors for similar services. SIMC may pay a portion of this fee to the portfolio manager acting as the account's Overlay Manager or retain the fee itself if it is serving as the Overlay Manager.

To the extent a Client's assets in MAS are invested in SEI Funds, SIMC and its affiliates will earn fund-level fees on those assets, as set forth in the applicable Fund's prospectus but SIMC will offset the fees set forth above on MAS assets invested in any SEI Fund.

### Fees for SEI Funds

Each SEI Fund pays an advisory fee to SIMC that is based on a percentage of the portfolio's average daily net assets, as described in the mutual fund's prospectus. From such amount, SIMC pays the sub-advisor(s) to the SEI Fund. SIMC's fund advisory fee varies, but it typically ranges from .10% - 1.50% of the portfolio's average daily net assets for its advisory services. Additionally, affiliates of SIMC provide administrative, distribution and transfer agency services to all of the portfolios within the SEI Funds, as described in the SEI Funds' 10 registration statements. These fees and expenses are paid by the SEI Funds but ultimately are borne by each shareholder of the SEI Funds.

### SEI Mutual Fund Models Program and SEI Funds

For the SEI Mutual Fund Models program Emergent charges an annual investment advisory fee based on the total assets under management as follows:

Assets Under Management	Maximum Annual Fee
Up to \$1,000,000	1.5%
\$1,000,001 - \$3,000,000	1.00%
Over \$3,000,000	Negotiable

The annual fee may be negotiable.

Each SEI Fund pays an advisory fee to SIMC that is based on a percentage of the portfolio's average daily net assets, as described in the mutual fund's prospectus. From such amount, SIMC pays the sub-advisor(s) to the fund. SIMC's fund advisory fee varies, but it typically ranges from .10% - 1.50% of the portfolio's average daily net assets for its advisory services. Affiliates of SIMC provide administrative, distribution and transfer agency services to all of the portfolios within the SEI Funds, as described in the SEI Funds' registration statements. These fees and expenses are paid by the SEI Funds but ultimately are borne by each shareholder of the SEI Funds. If a Client invests in a model available through the Mutual Fund Models Program, the Client will be charged the expense ratios of each of the SEI Funds included in the applicable model. Clients may have the option to purchase certain SEI investment products, including the SEI Funds, that SIMC recommends through other brokers or agents not affiliated with SIMC. Clients

may also pay custody fees to SEI Private Trust Company ("SPTC") when their assets are custodied at SPTC. These fees will vary depending on the account balance and trade activity in the account. Clients can refer to their account application for specific information on SPTC custody fees.

Emergent receives compensation as a result of a Client's participation in SIMC's programs. For assisting Clients in selecting appropriate Mutual Fund Models, Managed Account Portfolios or Custom Portfolios in accordance with the terms of Emergent's advisory agreement and, if applicable Triparty Agreement, with such Clients and providing on-going account services, Emergent will receive a fee payable from the Client's Account assets. Emergent's fee will be calculated quarterly on the Client's Account balance and payable quarterly in arrears net of any income, withholding or other taxes. Emergent's fee is separate from and in addition to SIMC's Investment Management Fee described above. Emergent's fee and SIMC's Investment Management fee will be deducted by SPTC directly from the Client's account. Emergent does not have the ability to directly deduct their advisory fee from the client account.

Clients may terminate their account within five (5) business days of signing the Investment Advisory Agreement with no obligation. For accounts closed mid-quarter, Emergent will be entitled to a pro rata fee for the days service was provided in the final quarter. Client shall be given thirty (30) days prior written notice of any increase in fees. Any increase in fees will be acknowledged in writing by both parties before any increase in said fees occurs.

#### ERISA PLAN SERVICES

The annual fees are based on the market value of the Included Assets and will not exceed 1%. Fees may be charged quarterly or monthly in arrears or in advance based on the assets as calculated by the custodian or record keeper of the Included Assets (without adjustments for anticipated withdrawals by Plan participants or other anticipated or scheduled transfers or distribution of assets) on the last business day of the previous quarter. If the services to be provided start any time other than the first day of a quarter, the fee will be prorated based on the number of days remaining in the quarter. If this Agreement is terminated prior to the end of the fee period, Emergent shall be entitled to a prorated fee based on the number of days during the fee period services were provided.

The fee schedule, which includes compensation of Emergent for the services is described in detail in Schedule A of the ERISA Plan Agreement. The Plan is obligated to pay the fees, however the Plan Sponsor may elect to pay the fees. Client may elect to be billed directly or have fees deducted from Plan Assets. Emergent does not reasonably expect to receive any additional compensation, directly or indirectly, for its services under this Agreement. If additional compensation is received, Emergent will disclose this compensation, the services rendered, and the payer of compensation. Emergent will offset the compensation against the fees agreed upon under this Agreement.

#### FINANCIAL PLANNING and CONSULTING

Emergent charges a negotiable fixed fee with a maximum of \$7,500 for financial planning. Prior to the planning process the client will be provided an estimated plan fee.

The services include, but are not limited to, a thorough review of all applicable topics including Estate Plan/Trusts, Investments, Taxes, Retirement Planning and Insurance. Client will pay the estimated fee at the signing of the agreement. Services are completed and delivered inside of ninety (90) days. Client may cancel within five (5) business days

of signing Agreement for a full refund. If the client cancels after five (5) business days, a pro-rata refund will be issued to the client based on the work completed.

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### **Client Payment of Fees**

Investment management fees are billed quarterly in advance, meaning we bill you when the three-month period has started. Payment in full is expected upon invoice presentation. Fees are usually deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account.

Fees for financial plans are billed in advance.

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### **Additional Client Fees Charged**

Custodians may charge transaction fees and brokerage fees on purchases or sales of certain mutual funds, equities, stocks and exchange-traded funds. These charges may include Mutual Fund transactions fees, brokerage fees, postage and handling and miscellaneous fees (fee levied to recover costs associated with fees assessed by self regulatory organizations). These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

Emergent, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

For more details on the brokerage practices, see Item 12 of this brochure.

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### **Prepayment of Client Fees**

Investment management fees are billed quarterly in advance.

Financial planning fees will be paid at the signing of the agreement.

If the client cancels after five (5) business days, a refund will be issued based on the work completed.

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### **External Compensation for the Sale of Securities to Clients**

Mr. Efthemis and Mr. Hanny receive external compensation for the sale of securities to clients as registered representatives of Leigh Baldwin a broker-dealer. Approximately 10% of their time is spent in this practice and less than 10% of their total revenue is generated as a registered representative. From time to time, they will offer clients products from these activities.

This represents a conflict of interest because it gives an incentive to recommend products based on the commission received. As registered representatives, Mr. Efthemis and Mr. Hanny do not charge advisory fees for the services offered through Leigh Baldwin. This conflict is mitigated by disclosures, procedures, and the firm's Fiduciary obligation to place the best interest of the client first and clients are not required to purchase any products or services. Clients have the option to purchase these products through another registered representative of their choosing.

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

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### **Sharing of Capital Gains**

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

Emergent does not use a performance-based fee structure because of the potential conflict of interest. Performance based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

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

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### **Description**

Emergent generally provides investment advice to individuals, high net worth individuals, trusts, estates, charitable organizations, corporations or business entities.

Client relationships vary in scope and length of service.

### **Account Minimums**

Emergent does not require a minimum to open an account but AssetMark requires a minimum to open an account. These minimums are described in more detail in the AssetMark Platform Disclosure Brochure. Accounts below the stated minimums may be accepted on an individual basis at the discretion of AssetMark.

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

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### **Methods of Analysis**

Security analysis methods may include fundamental analysis, technical analysis, and cyclical analysis. Investing in securities involves risk of loss that clients should be prepared to bear. Past performance is not a guarantee of future returns.

Fundamental analysis involves evaluating a stock using real data such as company revenues, earnings, return on equity, and profits margins to determine underlying value and potential growth. Technical analysis involves evaluating securities based on past prices and volume. Cyclical analysis involves analyzing the cycles of the market.

When creating a financial plan, Emergent utilizes fundamental analysis to provide review of insurance policies for economic value and income replacement. The main sources of information include Morningstar, client documents such as tax returns and insurance policies.

In developing a retirement plan for a client, Emergent's analysis may include cash flow analysis, investment planning, risk management, tax planning and estate planning. Based on the information gathered, a detailed strategy is tailored to the client's specific situation.

In advising clients of Emergent investing in AssetMark Platform, Emergent may select from mutual funds, Exchange Traded Funds (ETF's), and other investment solutions offered on the Platform. These solutions are provided by a number of institutional investment strategists and based on the information, research, asset allocation methodology and investment strategies of these institutional strategists, including AssetMark.

Emergent also introduces clients to, and advises on the selection of, independent investment managers who provide discretionary management of individual portfolios using a variety of different securities analysis methods, sources of information and investment strategies. Clients will receive a separate disclosure brochure from these investment managers regarding their investment advisory services.

With respect to clients investing in the AssetMark Platform, Emergent introduces clients to, and advises on the selection of, independent investment managers who provide discretionary management of individual portfolios including a wide variety of security types. Clients will receive a separate disclosure from such investment managers regarding any such investment manager's advisory services.

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### **Investment Strategy**

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Policy Statement or Risk Tolerance that documents their objectives and their desired investment strategy.

Other strategies may include long-term purchases, short-term purchases, trading, and option writing (including covered options, uncovered options or spreading strategies).

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### **Security Specific Material Risks**

All investment programs have certain risks that are borne by the investor.

Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks and should discuss these risks with Emergent:

- *Interest-rate Risk:* Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- *Market Risk:* The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- *Inflation Risk:* When any type of inflation is present, a dollar today will buy more than a dollar next year, because purchasing power is eroding at the rate of inflation.
- *Currency Risk:* Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- *Reinvestment Risk:* This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- *Business Risk:* These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.



- *Liquidity Risk:* Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- *Financial Risk:* Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

## Item 9: Disciplinary Information

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### **Criminal or Civil Actions**

The firm and its management have not been involved in any criminal or civil action.

### **Administrative Enforcement Proceedings**

The firm and its management have not been involved in administrative enforcement proceedings.

### **Self Regulatory Organization Enforcement Proceedings**

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

## Item 10: Other Financial Industry Activities and Affiliations

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### **Broker-Dealer or Representative Registration**

Members Nicholas J. Efthemis and Charles E. Hanny are registered representatives of Leigh Baldwin and Co. , a broker-dealer.

### **Futures or Commodity Registration**

Neither Emergent nor its employees are registered or has an application pending to register as a futures commission merchant, commodity pool operator, or a commodity trading advisor.

### **Material Relationships Maintained by this Advisory Business and Conflicts of Interest**

Members Nicholas J. Efthemis and Charles Hanny are also licensed insurance agents as sole proprietors. Approximately 5% of their time is spent in these practices. From time to time, they will offer clients products and/or services from these activities.

Nicholas J. Efthemis and Mr. Hanny are also registered representatives of Leigh Baldwin and Co. Approximately 10% of their time is spent in this practice. From time to time, they will offer clients products and/or services from these activities.

This represents a conflict of interest because it gives an incentive to recommend products and services based on the commission and/or fee amount received. This conflict is mitigated by disclosures, procedures, and the firm's Fiduciary obligation to place the best interest of the client first and clients are not required to purchase any products or services. Clients have the option to purchase these products or services through another financial professional of their choosing. Member Charles E. Hanny also owns rental property. This property is not investment related and Mr. Hanny does not recommend advisory clients to this business therefore no conflict of interest exists.

Emergent requires all Investment Advisor Representatives and Management to disclose material relationships and conflicts of interest to the firm's Chief Compliance Officer.

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**Recommendations or Selections of Other Investment Advisors and Conflicts of Interest**

Emergent may at times utilize the services of Third Party Money Managers to manage client accounts. In such circumstances, Emergent will share in the Third Party asset management fee. This situation does not create a conflict of interest since Emergent will receive the same compensation regardless of the Manager chosen. When referring clients to a third party money manager, the client's best interest will be the main determining factor of Emergent. These fees do not include brokerage fees that may be assessed by the custodial broker dealer. Fees for these services will be based on a percentage of assets under management not to exceed any limit imposed by any regulatory agency. The final fee schedule will be attached to Exhibit D in Emergent's Investment Advisory Agreement.

Before entering into a Solicitor Agreement with any third party money manager, Emergent will review the firm's Form ADV Part 2 for any disclosable events as well as inquire into open issues which may impair a money manager from providing services. Prior to referring any clients to third party advisors, Emergent will make sure that they are properly registered or notice filed.

This relationship will be disclosed to the client in each contract between Emergent and Third Party Money Manager. Emergent does not charge additional management fees for Third Party managed account services. Client's signature is required to confirm consent for services within Third Party Investment Agreement. Client will initial Emergent's Investment Advisory Agreement to acknowledge receipt of Third Party fee Schedule and required documents including Form ADV Part 2 disclosures.

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

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**Code of Ethics Description**

The employees of Emergent have committed to a Code of Ethics ("Code"). The purpose of our Code is to set forth standards of conduct expected of Emergent employees and addresses conflicts that may arise. The Code defines acceptable behavior for employees of Emergent. The Code reflects Emergent and its supervised persons' responsibility to act in the best interest of their client.

One area the Code addresses is when employees buy or sell securities for their personal accounts and how to mitigate any conflict of interest with our clients. We do not allow any employees to use non-public material information for their personal profit or to use internal research for their personal benefit in conflict with the benefit to our clients.

Emergent's policy prohibits any person from acting upon or otherwise misusing non-public or inside information. No advisory representative or other employee, officer or director of Emergent may recommend any transaction in a security or its derivative to advisory clients or engage in personal securities transactions for a security or its derivatives if the advisory representative possesses material, non-public information regarding the security.

Emergent's Code is based on the guiding principle that the interests of the client are our top priority. Emergent's officers, directors, advisors, and other employees have a

fiduciary duty to our clients and must diligently perform that duty to maintain the complete trust and confidence of our clients. When a conflict arises, it is our obligation to put the client's interests over the interests of either employees or the company.

The Code applies to "access" persons. "Access" persons are employees who have access to non-public information regarding any clients' purchase or sale of securities, or non-public information regarding the portfolio holdings of any reportable fund, who are involved in making securities recommendations to clients, or who have access to such recommendations that are non-public.

The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

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**Investment Recommendations Involving a Material Financial Interest and Conflict of Interest**

Emergent and its employees do not recommend to clients securities in which we have a material financial interest.

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**Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest**

Emergent and its employees may buy or sell securities that are also held by clients. In order to mitigate conflicts of interest such as front running, employees are required to disclose all reportable securities transactions as well as provide Emergent with copies of their brokerage statements.

The Chief Compliance Officer of Emergent is Nicholas J. Efthemis. He reviews all employee trades each month. The personal trading reviews ensure that the personal trading of employees does not affect the markets and that clients of the firm receive preferential treatment over employee transactions.

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**Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest**

Emergent does not maintain a firm proprietary trading account and does not have a material financial interest in any securities being recommended and therefore no conflicts of interest exist. However, employees may buy or sell securities at the same time they buy or sell securities for clients. In order to mitigate conflicts of interest such as front running, employees are required to disclose all reportable securities transactions as well as provide Emergent with copies of their brokerage statements.

The Chief Compliance Officer of Emergent is Nicholas J. Efthemis. He reviews all employee trades each quarter. The personal trading reviews ensure that the personal trading of employees does not affect the markets and that clients of the firm receive preferential treatment over employee transactions.

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**Item 12: Brokerage Practices**

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**Factors Used to Select Broker-Dealers for Client Transactions**

Emergent will recommend the use of a particular broker to custody client assets. Emergent receives a benefit because it does not have to pay for the research, services, or product and it may have an incentive to recommend a broker-dealer based on its interest rather than the clients. Emergent will select appropriate brokers based on a number of factors including but not limited to their relatively low transaction fees and reporting ability. Emergent relies on its broker to provide its execution services at the

best prices available. Lower fees for comparable services may be available from other sources. Clients pay for any and all custodial fees in addition to the advisory fee charged by Emergent.

Several different third party Custodians are available on the AssetMark Platform for us by Emergent and Clients to provide Client Accounts with custody and trade services. These Custodians include, TD Ameritrade Investment Support Services, Pershing Advisor Solutions, Schwab Institutional, and Fidelity Brokerage Services. In addition, AssetMark Trust Company ("AssetMark Trust"), an affiliate of AssetMark, may be used by Emergent and its clients on the Platform. Except as noted, Emergent will typically select the Custodian to be used.

- *Directed Brokerage*  
Emergent does not allow directed brokerage.
- *Best Execution*  
Investment advisors who manage or supervise client portfolios on a discretionary basis have a fiduciary obligation of best execution. The determination of what may constitute best execution and price in the execution of a securities transaction by a broker involves a number of considerations and is subjective. Factors affecting brokerage selection include the overall direct net economic result to the portfolios, the efficiency with which the transaction is effected, the ability to effect the transaction where a large block is involved, the operational facilities of the broker-dealer, the value of an ongoing relationship with such broker and the financial strength and stability of the broker. The firm does not receive any portion of the trading fees.
- *Soft Dollar Arrangements*  
The Securities and Exchange Commission defines soft dollar practices as arrangement under which products or services other than execution services are obtained by Emergent from or through a broker-dealer in exchange for directing client transactions to the broker-dealer. As permitted by Section 28(e) of the Securities Exchange Act of 1934, Emergent receives economic benefits as a result of commissions generated from securities transactions by the broker-dealer from the accounts of Emergent. These benefits include both proprietary research from the broker and other research written by third parties.

A conflict of interest exists when Emergent receives soft dollars. This conflict is mitigated by disclosures, procedures, and the firm's Fiduciary obligation to act in the best interest of its clients and the services received are beneficial to all clients.

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### **Aggregating Securities Transactions for Client Accounts**

Emergent does not aggregate securities transactions and trades each client account separately. By not aggregating trades, trading fees may be higher than by advisors who do aggregate trades.

## **Item 13: Review of Accounts**

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### **Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved**

Account reviews are performed quarterly by the Chief Compliance Officer of Emergent. Account reviews are performed more frequently when market conditions dictate.

Financial Plans are considered complete when recommendations are delivered to the client and a review is done only upon request of client.

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**Review of Client Accounts on Non-Periodic Basis**

Other conditions that may trigger a review of clients' accounts are changes in the tax laws, new investment information, and changes in a client's own situation.

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**Content of Client Provided Reports and Frequency**

Clients receive account statements no less than quarterly for managed accounts. Account statements are issued by Emergent's custodian. Client receives confirmations of each transaction in account from Custodian

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

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**Economic benefits provided to the Advisory Firm from External Sources and Conflicts of Interest**

Emergent receives a portion of the annual management fees collected by the Third Party Money Managers to whom Emergent refers clients.

This situation does not create a conflict of interest because Emergent and/or its Investment Advisor Representative will receive the same compensation regardless of the manager chosen.

With respect to the AssetMark Platform, Emergent may, subject to negotiation with AssetMark, receive certain allowances, reimbursements or services from AssetMark in connection with Emergent's investment advisory services to its clients, as described below and in further detail in the Appendix 1 of the AssetMark Platform Disclosure Brochure.

Under AssetMark's Business Development Allowance program, Emergent may receive a quarterly business development allowance for reimbursement of qualified marketing/practice development expenses incurred by Emergent. Those amounts vary depending on the value of the assets on the AssetMark Platform held by Clients of Emergent.

**MARKETING SUPPORT**

Emergent may enter into marketing arrangements with AssetMark whereby Emergent receives compensation and/or allowances in amounts based either upon a percentage of the value of new or existing Account assets of Clients referred to AssetMark by Emergent, or a flat dollar amount.

**DIRECT AND INDIRECT SUPPORT**

AssetMark may sponsor annual conferences for participating Financial Advisory Firms and/or Financial Advisors designed to facilitate and promote the success of the Financial Advisory Firm and/or Financial Advisor and/or AssetMark advisory services.

**DISCOUNTED FEES FOR FINANCIAL ADVISORS**

Emergent may receive discounted pricing from AssetMark for practice management and marketing related tools and services.

**COMMUNITY INSPIRATION AWARD**

AssetMark offers the Community Inspiration Award to honor selected Advisors across the United States who have inspired others by supporting charitable organizations in their communities. AssetMark will make a cash donation, subject to the published rules

governing the program to the Advisor's nominated charity in accordance with guidelines as outlined in the AssetMark Platform Disclosure Brochure.

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**Advisory Firm Payments for Client Referrals**

Emergent does not compensate for client referrals.

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**Item 15: Custody**

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**Account Statements**

All assets are held at qualified custodians, which means the custodians provide account statements directly to clients at their address of record at least quarterly. Clients are urged to compare the account statements received directly from their custodians to the performance report statements prepared by Emergent.

Emergent is deemed to have constructive custody solely because advisory fees are directly deducted from clients' accounts by the custodian on behalf of Emergent.

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**Item 16: Investment Discretion**

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**Discretionary Authority for Trading**

Emergent accepts discretionary authority to manage securities accounts on behalf of clients. Emergent has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. By signing a limited power of attorney, the client will authorize Emergent discretionary authority to execute selected investment program transactions as stated within the Investment Advisory Agreement. However, Emergent consults with the client prior to each trade to obtain concurrence if a blanket trading authorization has not been given.

The client approves the custodian to be used and the commission rates paid to the custodian. Emergent does not receive any portion of the transaction fees or commissions paid by the client to the custodian on trades.

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**Item 17: Voting Client Securities**

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**Proxy Votes**

Emergent does not vote proxies on securities. Clients are expected to vote their own proxies. The client will receive their proxies directly from the custodian of their account or from a transfer agent.

When assistance on voting proxies is requested, Emergent will provide recommendations to the client. If a conflict of interest exists, it will be disclosed to the client.

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**Item 18: Financial Information**

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**Balance Sheet**

A balance sheet is not required to be provided because Emergent does not serve as a custodian for client funds or securities and Emergent does not require prepayment of fees of more than \$500 per client and six months or more in advance.

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**Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients**

Emergent has no condition that is reasonably likely to impair our ability to meet contractual commitments to our clients.

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**Bankruptcy Petitions during the Past Ten Years**

Neither Emergent nor its management has had any bankruptcy petitions in the last ten years.

ITEM 1 COVER LETTER

# **SUPERVISED PERSON BROCHURE**

FORM ADV PART 2B

Nicholas John Efthemis CFP®

**Emergent Wealth Advisors, LLC**

**Office Address:**  
5500 Main Street  
Suite 260  
Williamsville, NY 14221

Tel: 716-828-8390  
Fax: 716-828-8395

nick@ermegentwa.com

Web: [www.emergentwa.com](http://www.emergentwa.com)

This brochure supplement provides information about Nicholas J. Efthemis and supplements the Emergent Wealth Advisors, LLC's brochure. You should have received a copy of that brochure. Please contact Nicholas J. Efthemis if you did not receive the brochure or if you have any questions about the contents of this supplement.

Additional information about Nicholas J. Efthemis (CRD #2821400) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**MARCH 15, 2019**



# Brochure Supplement (Part 2B of Form ADV)

## Supervised Person Brochure

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### Principal Executive Officer

**Nicholas John Efthemis CFP®**

- Year of birth: 1972
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### Professional Certifications

Employees have earned certifications and credentials that are required to be explained in further detail.

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The *Standards* prominently require that CFP® professionals provide financial

planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

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## **Educational Background and Business Experience**

Educational Background:

- State University College at Buffalo; Summa Cum Laude, Bachelors of Science; 1995

Business Experience:

- Emergent Wealth Advisors, LLC; Co-Owner/Investment Advisor Representative; 02/2015 - Present
- Sole Proprietor; Licensed Insurance Agent; 01/1997-Present
- Leigh Baldwin and Co.; Registered Representative; 06/2017-Present
- Fahey Financial; Investment Advisor Representative; 01/2018 – 10/2018
- American Portfolios; Registered Representative; 02/2010-06/2017
- Emergent Wealth Advisors, LLC; Co-Owner; 8/2011- 02/2015
- Ameriprise; Registered Representative/Investment Advisor Representative; 01/1997-02/2010

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## **Disciplinary Information**

None to report.

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## **Other Business Activities**

Member Nicholas J. Efthemis is also a licensed insurance agent as a sole proprietor. Approximately 5% of Mr. Efthemis' time is spent in these practices. From time to time, he will offer clients products and/or services from these activities.

Mr. Efthemis is also a registered representative and investment advisor representative of Leigh Baldwin and Co. Approximately 10% of his time is spent in these practices. From time to time, he will offer clients products and/or services from these activities.

This represents a conflict of interest because it gives an incentive to recommend products and services based on the commission and/or fee amount received. This conflict is mitigated by disclosures, procedures, and the firm's Fiduciary obligation to place the best interest of the client first and clients are not required to purchase any products or services. Clients have the option to purchase these products or services through another financial professional of their choosing.

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## **Additional Compensation**

Mr. Efthemis receives additional compensation in his capacity as an insurance agent and registered representative. He does not receive any performance based fees.

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## **Supervision**

Since Mr. Efthemis is the Chief Compliance Officer of Emergent Wealth Advisors, LLC, he is solely responsible for all supervision, formulation and monitoring of investment advice offered to clients. He will adhere to the policies and procedures as described in the firm's Compliance Manual.

ITEM 1 COVER LETTER

# **SUPERVISED PERSON BROCHURE**

FORM ADV PART 2B

Charles E. Hanny CFP<sup>®</sup>, CRPC<sup>®</sup>

**Emergent Wealth Advisors, LLC**

**Office Address:**

5500 Main Street  
Suite 260  
Williamsville, NY 14221

Tel: 716-828-8390

Fax: 716-828-8395

charlie@emergentwa.com

Web: [www.emergentwa.com](http://www.emergentwa.com)

This brochure supplement provides information about Charles E. Hanny and supplements the Emergent Wealth Advisors, LLC's brochure. You should have received a copy of that brochure. Please contact Charles E. Hanny if you did not receive the brochure or if you have any questions about the contents of this supplement.

Additional information about Charles E. Hanny (CRD #2982732) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**MARCH 15, 2019**

# Brochure Supplement (Part 2B of Form ADV)

## Supervised Person Brochure

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**Charles E. Hanny CFP®, CRPC®**

- Year of birth: 1975
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### Professional Certifications

Employees have earned certifications and credentials that are required to be explained in further detail.

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

Chartered Retirement Planning Counselor<sup>SM</sup> (CRPC®): Chartered Retirement Planning Counselor is a designation granted by the College for Financial Planning. CRPC® certification requirements:

- Successfully complete the program.
- Pass the final exam.
- Comply with the Code of Ethics.
- When you achieve your CRPC® designation, you must complete 16 hours of continuing education.
- Reaffirm to abide by the Standards of Professional Conduct.
- Pay a biennial renewal fee.

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### **Educational Background and Business Experience**

Educational Background:

- LeMoyne College; Suma Cum Laude, Bachelors of Science, Business Administration, concentration in finance and a minor in economics; 1997
- CFP Education Program; College for Financial Planning; 06/2008 – 07/2012
- CRPC Certification Program; College of Financial Planning; 07/2009 – 01/2010

Business Experience:

- Emergent Wealth Advisors, LLC; Co-Owner/Investment Advisor Representative; 05/2015 –Present
- Sole Proprietor; Insurance sales; 03/1998 – Present
- Leigh Baldwin and Co.; Registered Representative; 06/2017-Present
- 7 Layton Inc.; Owner; 08/2016-Present
- American Portfolios; Registered Representative; 02/2010 – 6/2017
- Emergent Wealth Advisors, LLC; Co-Owner; 8/2011- 05/2015
- American Express Financial Advisors Inc.; Registered Representative; 11/1997 – 01/2010
- IDS Life Insurance Company; Insurance Agent; 11/1997 – 01/2010

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### **Disciplinary Information**

None to report.

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### **Other Business Activities**

Charles Hanny is also a licensed insurance agent as a sole proprietor. Approximately 5% of Mr. Hanny's time is spent in these practices. From time to time, he will offer clients products and/or services from these activities.

Mr. Hanny is also a registered representative with Leigh Baldwin and Co. Approximately 15% of his time is spent in these practices. From time to time, he will offer clients products and/or services from these activities.

This represents a conflict of interest because it gives an incentive to recommend products and services based on the commission and/or fee amount received. This

conflict is mitigated by disclosures, procedures, and the firm's Fiduciary obligation to place the best interest of the client first and clients are not required to purchase any products or services. Clients have the option to purchase these products or services through another financial professional of their choosing.

Managing Member **Charles E. Hanny** also owns rental property. This property is not investment related and Mr. Hanny does not recommend advisory clients to this business therefore no conflict of interest exists.

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**Additional Compensation**

Mr. Hanny receives additional compensation in his capacity as an insurance agent and registered representative. He does not receive any performance based fees.

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**Supervision**

Charles Hanny is supervised by Nicholas Efthemis, Chief Compliance Officer. He reviews Charles' work through frequent office interactions as well as remote interactions.

Nicholas Efthemis' contact information:

Phone: 716-828-8390, or by email at: [nick@emergentwa.com](mailto:nick@emergentwa.com)