



## **Bey-Douglas Investment Counsel**

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### **PART 2A - APPENDIX 1 WRAP FEE PROGRAM BROCHURE**

This Brochure provides information about the qualifications and business practices of Bey-Douglas, LLC Investment Counsel. If you have any questions about the contents of this Brochure, please contact us at (770) 858-0001 or [info@bey-douglas.com](mailto:info@bey-douglas.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state authority.

Bey-Douglas, LLC Investment Counsel is an investment advisory firm registered with the appropriate regulatory authority. Registration does not imply a certain level of skill or training. Additional information about Bey-Douglas, LLC Investment Counsel also is available on the SEC's website at [www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

## Item 2 Summary of Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since our last annual updating amendment, dated February 23, 2023, we have the following material changes to our Form ADV:

- Rutledge Partners, L.P. (the "Fund") closed on June 30, 2023. As such, George Beylouni, President of Bey-Douglas, no longer serves as a Co-General Partner of the Fund. This disclosure has been removed from *Item 9 Additional Information*.
- TD Ameritrade, Inc. has merged with Charles Schwab & Co., Inc. ("Schwab"). All existing TD Ameritrade, Inc. accounts were transferred to Schwab's platform. The disclosure has been removed from *Item 9 Additional Information*.

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## Item 4 Services, Fees, and Compensation

### General Information

Bey-Douglas, LLC Investment Counsel ("Bey-Douglas") was formed in 2000 when Bey Associates merged with Douglas Capital Management. Bey-Douglas provides portfolio management services to its clients. Such services may be offered through the "Bey-Douglas Wrap Program" or the "Program", which has been designed to simplify the payment of management fees and brokerage expenses.

George Beylouni is the sole principal owner of Bey-Douglas. Please see Brochure Supplements, provided separately, for more information on Mr. Beylouni and other individuals who formulate investment advice and have direct contact with clients, or have discretionary authority over client accounts.

### Portfolio Management Services

At the beginning of a client relationship, Bey-Douglas meets with the client, gathers information, and performs research and analysis as necessary to develop the client's Investment Plan. The Investment Plan will be updated from time to time when requested by the client, or when determined to be necessary or advisable by Bey-Douglas based on updates to the client's financial or other circumstances.

If you participate in our discretionary portfolio management services, we require you to grant us discretionary authority to manage your account. Subject to a grant of discretionary authorization, we have the authority and responsibility to formulate investment strategies on your behalf. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without obtaining your approval prior to each transaction. We will also have discretion over the broker or dealer to be used for securities transactions, and over the commission rates to be paid. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm, a power of attorney, or trading authorization forms.

As part of our portfolio management services, in addition to other types of investments (see disclosures below in this section), we may invest your assets according to one or more model portfolios developed by our firm. These models are designed for investors with varying degrees of risk tolerance ranging from a more aggressive investment strategy to a more conservative investment approach. Clients whose assets are invested in model portfolios may not set restrictions on the specific holdings or allocations within the model, nor the types of securities that can be purchased in the model. Nonetheless, clients may impose restrictions on investing in certain securities or types of securities in their account. In such cases, this may prevent a client from investing in certain models that are managed by our firm.

### General Fee Information

Fees paid by clients participating in the Bey-Douglas Wrap Program generally include brokerage expenses (e.g., commissions, ticket charges, etc.) as well as the management fee paid to Bey-Douglas. Under the all-inclusive billing alternative, Bey-Douglas will assess one client fee that captures the management, brokerage and administrative portions collectively. The standard rate schedule is set forth below.

Fees paid to Bey-Douglas are exclusive of and distinct from the fees and expenses charged by mutual funds, ETFs (exchange traded funds) or other investment pools to their shareholders (generally including a management fee and fund expenses, as described in each fund's prospectus or offering materials). Clients will pay certain fees in addition to the fees of the Bey-Douglas Wrap Program, as more fully described in the *Fees and Compensation* section of the Form ADV Part 2A Disclosure Brochure.

Bey-Douglas Wrap Program fees which Bey-Douglas does not pay to third parties in connection with transaction and execution expenses are retained by Bey-Douglas. Because of this, Bey-Douglas may have a disincentive to trade securities in the accounts of clients in the Program. The Bey-Douglas Wrap Program annual fee schedule, based on a percentage of assets under management, is as follows:

Up to \$250,000	1.50%
\$251,000 - \$750,000	1.35%
\$750,001 - \$1,250,000	1.25%
\$1,250,001 - \$5,000,000	1.00%
Portfolios valued above \$5,000,000	Negotiable

Portfolio management fees are generally payable quarterly, in advance. If management begins after the start of a quarter, fees will be prorated accordingly. With client authorization and unless other arrangements are made, fees are normally debited directly from client account(s). The client should review all fees charged by funds, Bey-Douglas and others to fully understand the total amount of fees paid by the client for investment and financial-related services. Clients participating in the Bey-Douglas Wrap Program may pay higher or lower fees than clients purchasing such services separately, depending on the cost of services if provided separately and the level of trading in a particular client's account.

## **Item 5 Account Requirements and Types of Clients**

Bey-Douglas serves individuals, including high net worth individuals, pension and profit-sharing plans, charitable organizations, corporations, trusts, and estates. In general, we require a minimum of \$300,000 to open and maintain an advisory account. At our discretion, we may waive this minimum account size. Minimum annual fees may apply. Under certain circumstances and in its sole discretion, Bey-Douglas may negotiate such minimums.

## **Item 6 Portfolio Manager Selection and Evaluation**

The Bey-Douglas Wrap Program was designed to simplify for clients the payment of management fees and brokerage expenses. The Program does not select advisers in addition to Bey-Douglas. Bey-Douglas is the sponsor and sole portfolio manager for the Program. Refer to *Services, Fees, and Compensation* for additional disclosures on costs associated with your participation in the Program.

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

For clients in the Bey-Douglas Wrap Program, Bey-Douglas do not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Our fees are calculated as described above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

### Our Methods of Analysis and Investment Strategies

We use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

**Fundamental Analysis** – involves review of the business and financial information about an issuer. Without limitation, the following factors generally will be considered:

- Financial strength ratios;
- Price-to-earnings ratios;
- Dividend yields; and
- Growth rate-to-price earnings ratios

**Technical Analysis** – involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks.

#### Risk of Loss

While Bey-Douglas seeks to diversify clients' investment portfolios across various asset classes consistent with their Investment Plans in an effort to reduce risk of loss, all investment portfolios are subject to risks. Accordingly, there can be no assurance that client investment portfolios will be able to fully meet their investment objectives and goals, or that investments will not lose money.

See the *Methods of Analysis, Investment Strategies and Risk of Loss* section of the Form ADV Part 2A Disclosure Brochure for additional information.

#### Voting Clients Securities

Bey-Douglas will determine how to vote proxies based on our reasonable judgment of the vote most likely to produce favorable financial results for you. Proxy votes generally will be cast in favor of proposals that maintain or strengthen the shared interests of shareholders and management, increase shareholder value, maintain or increase shareholder influence over the issuer's board of directors and management, and maintain or increase the rights of shareholders. Generally, proxy votes will be cast against proposals having the opposite effect. However, we will consider both sides of each proxy issue. Unless we receive specific instructions from you, we will not base votes on social considerations.

In the event you wish to direct our firm on voting a particular proxy, you should contact our main office at the phone number on the cover page of this brochure with your instruction.

In general, Bey-Douglas believes that voting proxies in accordance with the following guidelines, with respect to such routine items, is in the best interests of our clients. Accordingly, Bey-Douglas generally votes for:

- The election of directors (where no corporate governance issues are implicated);
- Proposals that strengthen the shared interests of shareholders and management;
- The selection of independent auditors based on management or director recommendation, unless a conflict of interest is perceived;
- Proposals that Bey-Douglas believes may lead to an increase in shareholder value;
- Management recommendations adding or amending indemnification provisions in charter or by-laws; and Proposals that maintain or increase the rights of shareholders.

Bey-Douglas will generally vote against any proposals that Bey-Douglas believes will have a negative impact on shareholder value or rights. If Bey-Douglas perceives a conflict of interest, Bey-Douglas' policy is to notify affected clients so that they may choose the course of action they deem most appropriate.

A copy of our complete policy, as well as records of proxies voted; are available to clients upon request. As required under the Advisers Act, such records are maintained for a period of five (5) years.

## **Item 7 Client Information Provided to Portfolio Managers**

Bey-Douglas is the sole portfolio manager under the Bey-Douglas Wrap Program. Bey-Douglas does not share client information with other portfolio managers because it is the sole portfolio manager for the Bey-Douglas Wrap Program.

## **Item 8 Client Contact with Portfolio Managers**

Bey-Douglas is the sole portfolio manager under the Bey-Douglas Wrap Program. No restrictions are placed on client's ability to contact or consult with Bey-Douglas. Clients should contact advisory representatives with respect to changes in investment objectives, risk tolerance, or requested restrictions placed on the management of clients' Program assets.

## **Item 9 Additional Information**

Bey-Douglas is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. Bey-Douglas does not have any required disclosures under this item.

### *Other Financial Industry Activities and Affiliations*

We benefit financially from the rollover of your assets from a retirement account to an account that we manage or provide investment advice, because the assets increase our assets under management and, in turn, our advisory fees. As a fiduciary, we only recommend a rollover when we believe it is in your best interest.

Bey-Douglas has entered into an agreement with Suncoast Equity Management, Inc., and Donald R. Jowdy, President in order to gain access to the Disciplined Investment System. Mr. Jowdy serves as an advisor to Bey-Douglas, primarily focusing on the Disciplined Investment System.

### Registrations with Broker-Dealer

Mr. Hill is a registered representatives with American Wealth Management a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. See the *Fees and Compensation* section in this brochure for more information on the compensation received by registered representatives who are affiliated with our firm.

### Licensed Insurance Agents

Mr. Hill is licensed as an independent insurance agent. Mr. Hill will earn commission-based compensation for selling insurance products, including insurance products he sells to you. Insurance commissions earned by Mr. Hill are separate from our advisory fees. See the *Fees and Compensation* section in this brochure for more information on the compensation received by insurance agents who are affiliated with our firm.

### *Code of Ethics, Review of Accounts, Client Referrals, and Financial Information*

#### Description of Our Code of Ethics

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm

are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, nonpublic information about you or your account holdings by persons associated with our firm. Complete details on the Code of Ethics can be found in the *Participation in Client Transactions and Personal Trading* section in the Form ADV Part 2A Disclosure Brochure.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

#### Review of Accounts

Managed portfolios are reviewed at least quarterly, but may be reviewed more often if requested by the client, upon receipt of information material to the management of the portfolio, or at any time such review is deemed necessary or advisable by Bey-Douglas. These factors generally include but are not limited to, the following: change in general client circumstances (marriage, divorce, retirement); or economic, political or market conditions. George Beylouni, Bey-Douglas' President, and/or Marty Lysaght, Director, review all accounts. Additional details can be found in the *Review of Accounts* section in the Form ADV Part 2A Disclosure Brochure.

#### *Other Compensation*

##### Charles Schwab & Co., Inc - Institutional

Bey-Douglas receives an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. You do not pay more for assets maintained at Schwab as a result of these arrangements. However, we benefit from the referral arrangement because the cost of these services would otherwise be borne directly by us. You should consider these conflicts of interest when selecting a custodian. For additional details on the products and services provided by Schwab, how they benefit us, and the related conflicts of interest, see the *Brokerage Practices* section of Form ADV Part 2A Disclosure Brochure.

##### Client Referrals and Other Compensation

Bey-Douglas does not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

##### IRA Rollover Recommendations

Effective December 20, 2021 (or such later date as the US Department of Labor ("DOL") Field Assistance Bulletin 2018-02 ceases to be in effect), for purposes of complying with the DOL's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02") where applicable, we are providing the following acknowledgment to you. When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);



- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

We benefit financially from the rollover of your assets from a retirement account to an account that we manage or provide investment advice, because the assets increase our assets under management and, in turn, our advisory fees. As a fiduciary, we only recommend a rollover when we believe it is in your best interest.

#### Financial Information

Bey-Douglas does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to clients. Bey-Douglas does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore has no disclosure required for this item.

### **Item 10 Requirements for State-Registered Advisers**

We are a federally registered investment adviser; therefore, we are not required to respond to this item.