

## **ADV Part 2A Appendix 1 Wrap Fee Program Brochure**



### **SHULMAN DEMEO ASSET MANAGEMENT, LLC**

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**This Wrap Fee Program Brochure provides information about the qualifications and business practices of Shulman DeMeo Asset Management, LLC (“Shulman DeMeo”). If you have any questions about the contents of this Wrap Fee Program Brochure, please contact us at (516) 708-9954 or [jdemeo@shulmandemeo.com](mailto:jdemeo@shulmandemeo.com). 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 Shulman DeMeo Asset Management, LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)**

## **Item 2           Material Changes**

There have been no material changes made to Shulman DeMeo Asset Management, LLC's ADV Part 2A, Appendix 1 Wrap Fee Program Brochure since the previous Annual Amendment filing as of March 9, 2023.

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## Item 4 Services, Fees and Compensation

### A. Investment Advisory Services

The client can determine to engage Shulman DeMeo Asset Management, LLC (“Shulman DeMeo”) to provide discretionary and/or non-discretionary investment advisory services on a wrap fee basis. If a client determines to engage Shulman DeMeo on a wrap fee basis the client will pay a single fee for bundled services (i.e. investment advisory, brokerage, custody). The services included in a wrap fee agreement will depend upon each client’s particular need.

As of December 31, 2023, Shulman DeMeo had \$678,593,489 in regulatory assets under management, of which \$610,088,401 is managed on a discretionary basis and additional \$68,505,088 is managed on a non-discretionary basis.

#### **Shulman DeMeo Asset Management, LLC Wrap Program**

Shulman DeMeo provides investment management services on a wrap fee basis in accordance with Shulman DeMeo’s investment management wrap fee program (the “Program”). Under the Program, Shulman DeMeo is able to offer participants discretionary and/or non-discretionary investment management services, for a single specified annual Program fee, inclusive of trade execution, custody, reporting, and investment management fees. The terms and conditions for client participation in the Program are set forth in detail in this Wrap Fee Program Brochure, which is presented to all prospective Program participants in accordance with the disclosure requirements of Part 2A Appendix 1 of Form ADV. All prospective Program participants should read both Shulman DeMeo’s Informational Brochure and the Wrap Fee Program Brochure and ask any corresponding questions prior to participation in the Program.

**Wrap Program-Conflict of Interest.** When managing a client’s account on a wrap fee basis, Shulman DeMeo shall receive as payment for its investment advisory services, the balance of the wrap fee after all other costs incorporated into the wrap fee have been deducted. Participation in a wrap program has a cost to the client that can be more or less than purchasing such services separately. For example, if a client’s account is rarely traded, the transaction fees the client would have paid would be minimal, thus limiting the benefits of “wrapping” management fees and transaction fees. The terms and conditions of a wrap program engagement are more fully discussed in this Wrap Fee Program Brochure. Because wrap program transaction fees and/or commissions are being paid by Shulman DeMeo to the account broker-dealer/custodian, Shulman DeMeo could have an economic incentive to minimize the number of trades in the client’s account. This presents a conflict of interest. Shulman DeMeo attempts to mitigate this conflict by disclosing the conflict to clients and requiring that the firm’s employees acknowledge their fiduciary duty to place client interests ahead of their own.

#### *Schwab’s Brokerage Services*

In addition to the foregoing portfolio management and other services, the Program includes the brokerage services of Charles Schwab & Co., Inc. (“Schwab”) a broker-dealer registered with the Securities and Exchange Commission and a member of FINRA and SIPC. Shulman DeMeo is an independently owned and operated and not affiliated with Schwab. Schwab will act solely as custodian and broker-dealer and not as an investment advisor to you. It will have no discretion over your account and will act solely on instructions it receives from us [or you]. Schwab has no responsibility for our services and undertakes no duty to you to monitor our management of your account or other services we provide to you. Schwab will hold your assets in a brokerage account

and buy and sell securities and execute other transactions when we [or you] instruct them to. While we require that you use Schwab as custodian/broker to participate in our program, you will decide whether to do so and open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you. If you do not wish to place your assets with Schwab, then we cannot manage your account in the program. Not all advisors require their clients to use a particular broker-dealer or other custodian selected by the advisor. Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account, as described below.

## **B. Shulman DeMeo Asset Management, LLC Wrap Program Fees**

Under the Program, Shulman DeMeo is able to offer participants discretionary and/or non-discretionary investment management services, for a single specified annual Program fee, inclusive of trade execution, custody, reporting, and investment management fees. The current annual Program fee ranges from 0.00% to 2.00%.

Shulman DeMeo's annual investment advisory fee shall include investment advisory services, and, to the extent specifically requested by the client, financial planning and consulting services. In the event that the client requires extraordinary planning and/or consultation services (to be determined in the sole discretion of Shulman DeMeo), Shulman DeMeo will, where applicable, determine to charge for such additional services, of which the dollar amount and method of payment shall be set forth in a separate written notice to the client.

Fee Payment. Clients that elect to have Shulman DeMeo's advisory fees deducted from their custodial account. Both Shulman DeMeo's Agreement and the custodial/clearing agreement that authorizes the custodian to debit the account for the amount of Shulman DeMeo's investment advisory fee and to directly remit that management fee to Shulman DeMeo in compliance with regulatory procedures. In the limited event that Shulman DeMeo bills the client directly, payment is due upon receipt of Shulman DeMeo's invoice. Shulman DeMeo shall deduct fees and/or bill clients quarterly in advance, based upon the market value of the assets on the last business day of the previous quarter. For example, if your annual fee is 1.50%, each quarter Shulman DeMeo will multiply the value of the accounts on the last business day of the previous quarter by 1.50%, then divide by four to calculate our quarterly fee. To the extent there is cash in your account, it will be included in the value for the purpose of calculating fees only if the cash is part of an investment strategy.

Other Fees. As discussed above, unless the client directs otherwise or an individual client's circumstances require, Shulman DeMeo requires that Schwab serve as the broker-dealer/custodian for client investment management assets under the Program. The Program's wrap fee does not include certain charges and administrative fees, including, but not limited to, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses), transaction charges (including mark-ups and mark-downs) resulting from trades effected through or with a broker-dealer other than Schwab, transfer taxes, odd lot differentials, exchange fees, interest charges, American Depository Receipt agency processing fees, and any charges, taxes or other fees mandated by any federal, state or other applicable law or otherwise agreed to with regard to client accounts. Such fees and expenses are in addition to the Program's wrap fee.

Pro-rata Fees. If you become a client during a billing period, you will pay an investment advisory fee based upon the number of days left in that billing quarter. The Agreement between Shulman DeMeo and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the Agreement. Upon termination, Shulman DeMeo shall refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter.

### **C. Additional Fees for Stand-Alone Services**

#### **FINANCIAL PLANNING AND CONSULTING SERVICES FEES (STAND-ALONE)**

For client's engaging Shulman DeMeo for stand-alone financial planning and consulting services, fees are negotiable, but generally range from \$5,000 to \$50,000 on a fixed fee basis, and from \$300 to \$700 on an hourly rate basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s).

#### **PORTFOLIO MONITORING SERVICES**

For clients who wish to also engage Shulman DeMeo for a portfolio monitoring service, such clients that engage Shulman DeMeo to monitor client portfolios or investments held with other independent registered investment advisers. The current annual fee for portfolio monitoring services are up to 2.00% of the client's assets under management.

Shulman DeMeo is limited, however, to performing our portfolio monitoring services and/or making recommendations for certain portfolios held at other RIAs including 401(k) Plans in which the available investment options are determined by the plan sponsor, 529 Plans, etc. Portfolio monitoring services performed by Shulman DeMeo do present conflicts of interest including the possibility that recommended portfolio changes more aligned with our Firm's investment approach and strategies potentially conflict with the investment advice furnished by the other RIAs. In addition, the transition costs for replacing or liquidation of certain securities at other RIAs will cause additional costs, at least in the short term, for the investor.

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

Shulman DeMeo's clients shall generally include individuals, business entities, trusts, estates, and charitable organizations, and pension and profit-sharing plans. Shulman DeMeo generally requires a minimum asset level of \$2,000,000 per household or corporate entity for investment advisory services. Shulman DeMeo, in its sole discretion, has the authority to reduce its investment management fee and/or reduce or waive its minimum asset requirement based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

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

- A. As the Program sponsor, Shulman DeMeo shall be responsible for the primary management of the Program. Shulman DeMeo is also currently the sole portfolio manager for the Program. In as much as the execution costs for transactions effected in the client account will be paid by Shulman DeMeo, a potential conflict of interest arises in that Shulman DeMeo has a disincentive to trade securities in the client account. In addition, the amount of compensation received by Shulman DeMeo as a result of the client's participation in the Program can result in greater remuneration than what we would receive if the client paid separately for investment advice, brokerage and other services. All client accounts managed by Shulman DeMeo, including wrap fee clients, are managed with similar processes, although account recommendations vary.

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

Please refer to Item 8 of Shulman DeMeo's Informational Brochure for a discussion of ShulmanDeMeo's investment strategies, methods of analysis, and the risks associated with investing.

### *Performance-Based Fees*

Neither Shulman DeMeo nor any supervised person of Shulman DeMeo accepts performance- based fees.

### *Voting Client Securities*

Shulman DeMeo does not accept authority to vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities owned by the client shall be voted, and (2) making all elections relative to any corporate actions, mergers, acquisitions, tender offers, class action lawsuits and bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients will receive their proxies or other solicitations directly from their custodian.

As discussed in greater detail in Items 4 and 5 of Shulman DeMeo's Informational Brochure, Shulman DeMeo also offers stand-alone services to its clients in addition to discretionary and/or nondiscretionary investment advisory services, including portfolio monitoring as well as financial planning and related consulting services.

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

Shulman DeMeo shall be the Program's portfolio manager. Shulman DeMeo shall provide investment advisory services specific to needs of each client. Prior to providing investment advisory services, an investment adviser representative will discuss with each client, their particular financial situation and goals. Shulman DeMeo shall allocate each client's investment assets consistent with their financial situation and goals. Clients, at any time, are authorized to impose reasonable restrictions, in writing, on Shulman DeMeo's services.

As indicated above, each client is advised that it remains his/her/its responsibility to promptly notify Shulman DeMeo if there is ever any change in his/her/its financial situation for the purpose of reviewing/evaluating/revising Shulman DeMeo's previous recommendations and/or services.

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

The client shall have, without restriction, reasonable access to the Program's portfolio manager.

## **Item 9            Additional Information**

- A. Shulman DeMeo has not been the subject of any disciplinary actions.

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

Neither Shulman DeMeo, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

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

Certain professionals of Shulman DeMeo are separately licensed as independent insurance agents. As such, these professionals may conduct insurance product transactions for Shulman DeMeo clients, in their capacity as licensed insurance agents, and will receive customary commissions for these transactions in addition to any compensation receives in their capacities as employees of Shulman DeMeo. Commissions from the sale of insurance products will not be used to offset or as a credit against advisory fees. These professionals therefore have incentive to recommend insurance products based on the compensation to be received, rather than on a client's needs. The receipt of additional fees for insurance commissions is therefore a conflict of interest, and clients should be aware of this conflict when considering whether to engage Shulman DeMeo or utilize these professionals to implement any insurance recommendations. Shulman DeMeo attempts to mitigate this conflict of interest by disclosing the conflict to clients and informing the clients that they are always free to purchase insurance products through other agents that are not affiliated with Shulman DeMeo, or to determine not to purchase the insurance product at all. Shulman DeMeo also attempts to mitigate the conflict of interest by requiring employees to acknowledge in the firm's Code of Ethics, their individual fiduciary duty to the clients of Shulman DeMeo, which requires that employees put the interests of clients ahead of their own.

Shulman DeMeo does not currently recommend or select other investment advisers to manage any portion of client accounts.

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



B. A copy of our Code of Ethics is available upon request. Our Code of Ethics includes discussions of our fiduciary duty to clients, political contributions, gifts, entertainment, and trading guidelines.

C. Shulman DeMeo does not recommend to clients that they invest in any security in which Shulman DeMeo or any principal thereof has any financial interest.

D. On occasion, an employee of Shulman DeMeo may purchase for his or her own account securities which are also recommended for clients. Our Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of interest related to trading in one's own account including a pre-clearance requirement for personal securities transactions involving initial public offerings ("IPOs") and/or Limited Offerings. To avoid placing a trade before a client (in the case of a purchase) or after a client (in the case of a sale), all employee trades must be reviewed by the Chief Compliance Officer ("CCO") or in the case of the CCO's personal securities transactions by Shulman DeMeo's other principal (or "CCO Designee"). All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.

E. On occasion, an employee of Shulman DeMeo may purchase for his or her own account securities which are also recommended for clients at the same time the clients purchase the securities. Our Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of interest related to trading in one's own account. To avoid placing a trade before a client (in the case of a purchase) or after a client (in the case of a sale), all employee trades must be reviewed by the Chief Compliance Officer. All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.

### **Review of Accounts**

- A. For those clients to whom Shulman DeMeo provides investment advisory services, account reviews are conducted on an ongoing basis by Shulman DeMeo's Managing Members and representatives. All investment supervisory clients are advised that it remains their responsibility to advise Shulman DeMeo of any changes in their financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), financial situation and account performance with Shulman DeMeo on an annual basis.
- B. Shulman DeMeo may conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client's financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Shulman DeMeo may also provide a written periodic report summarizing account activity and performance.

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

As referenced in Item 12.A.1 above, Shulman DeMeo may receive indirect economic benefits from Schwab or other entities including support services and/or products without cost (and/or at a discount). Shulman DeMeo's clients do not pay more for investment transactions effected and/or assets maintained at Schwab as a result of this arrangement. There is no corresponding commitment made by Shulman DeMeo to Schwab or any other entity to invest any specific amount or percentage of client assets in any specific securities or other investment products as a result of the above arrangement.

### **Third-Party Referral Agreements**

Shulman DeMeo has an arrangement in place with a third party whereby we compensate them for client referrals by paying them a percentage of the investment advisory fees we receive from the solicited clients. Solicitation arrangements inherently give rise to potential conflicts of interest because the solicitor is receiving an economic benefit for the recommendation of advisory services. We address this conflict of interest through a written agreement with the third-party solicitor requiring them to make certain disclosures to solicited potential clients. We require the third-party solicitor who introduces potential clients to us to provide the potential client with a copy of this disclosure brochure and a copy of the solicitor's disclosure statement which explains that the solicitor will be compensated for the referral and contains the terms and conditions of the solicitation arrangement, including the compensation the solicitor is to receive.

### **Financial Information**

- A. Shulman DeMeo does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. Shulman DeMeo is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.

Shulman DeMeo has not been the subject of a bankruptcy petition.