

# **Patriot Asset Management, Inc**

## **Firm Brochure – Form ADV Part 2A**

This brochure provides information about the qualifications and business practices of Patriot Asset Management, Inc. If you have any questions about the contents of this brochure, please contact us at 518-775-6732 or by email at: [gmurray@patriotasset.com](mailto:gmurray@patriotasset.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 Patriot Asset Management, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Patriot Asset Management, Inc.'s CRD number is: 166241.



**Patriot Asset Management, Inc.**

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**Registration does not imply a certain level of skill or training.**

**Version Date: 2/1/2024**

## **Item 2: Material Changes**

Patriot Asset Management had the following material changes to this brochure since filing its last annual amendment in July 2023:

- Item 10 - Gerard Murray is the Town Justice for the Town of Mohawk in Montgomery County in the State of NY from January 2024 to present. As a Town Justice, Gerry Murray is responsible for presiding over a weekly court for any offenses that occur in the Town. Gerry Murray is compensated for his position as Town Justice.

We will ensure that you receive a summary of any material changes to this and subsequent disclosure brochures within 120 days after our firm's fiscal year ends. Our firm's fiscal year ends on June 30, so you will receive the summary of material changes no later than October 30 each year. At that time, we will also offer or provide a copy of the most current disclosure brochure. We may also provide other ongoing disclosure information about material changes as necessary.

### **Item 3: Table of Contents**

Item 1:	Cover Page	
Item 2:	Material Changes.....	2
Item 3:	Table of Contents.....	3
Item 4:	Advisory Business.....	4
Item 5:	Fees and Compensation.....	7
Item 6:	Performance-Based Fees and Side-By-Side Management.....	8
Item 7:	Types of Clients.....	9
Item 8:	Methods of Analysis, Investment Strategies, and Risk of Investment Loss.....	9
Item 9:	Disciplinary Information.....	11
Item 10:	Other Financial Industry Activities and Affiliations.....	12
Item 11:	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	12
Item 12:	Brokerage Practices.....	13
Item 13:	Reviews of Accounts.....	14
Item 14:	Client Referrals and Other Compensation.....	14
Item 15:	Custody.....	15
Item 16:	Investment Discretion.....	15
Item 17:	Voting Client Securities (Proxy Voting).....	15
Item 18:	Financial Information.....	15

## **Item 4: Advisory Business**

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

Patriot Asset Management, Inc. is a corporation organized in the state of New York. The firm was formed in November of 2012, and as of September of 2017, the principal owner is Gerard C. Murray. Patriot Asset Management filed its initial application to become registered as an investment adviser with the U.S. Securities Exchange Commission in September 2021, which was accepted on November 1, 2021.

### **B. Types of Advisory Services**

Patriot Asset Management, Inc. (hereinafter “PAM”) offers the following services to advisory clients:

#### **Investment Supervisory Services**

PAM offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. PAM creates an Investment Policy Statement for each client, which outlines the client’s current situation (income, tax levels, and risk tolerance levels) and then constructs a strategy to aid in the selection of a portfolio that matches each client’s specific situation. Investment Supervisory Services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

PAM evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. PAM will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

#### **Retirement Plan Rollover Recommendations**

When PAM provides investment advice about your retirement plan account or individual retirement account (“IRA”) including whether to maintain investments and/or proceeds in the retirement plan account, roll over such investment/proceeds from the retirement plan account to a IRA or make a distribution from the retirement plan account, we acknowledge that PAM is a “fiduciary” within the meaning of Title I of the Employee Retirement Income Security Act

("ERISA") and/or the Internal Revenue Code ("IRC") as applicable, which are laws governing retirement accounts. The way PAM makes money creates conflicts with your interest, so PAM operates under a special rule that requires PAM to act in your best interest and not put our interest ahead of you.

Under this special rule's provisions, PAM must as a fiduciary to a retirement plan account or IRA under ERISA/IRC:

- Meet a professional standard of care when making investment recommendations (e.g., give prudent advice);
- Never put the financial interests of PAM ahead of you when making recommendations (e.g., give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that PAM gives advice that is in your best interest;
- Charge no more than is reasonable for the services of PAM; and
- Give Client basic information about conflicts of interest.

To the extent We recommend you roll over your account from a current retirement plan account to an individual retirement account managed by PAM, please know that PAM and our investment adviser representatives have a conflict of interest.

We can earn increased investment advisory fees by recommending that you roll over your account at the retirement plan to an IRA managed by PAM. We will earn fewer investment advisory fees if you do not roll over the funds in the retirement plan to an IRA managed by PAM.

Thus, our investment adviser representatives have an economic incentive to recommend a rollover of funds from a retirement plan to an IRA which is a conflict of interest because our recommendation that you open an IRA account to be managed by our firm can be based on our economic incentive and not based exclusively on whether or not moving the IRA to our management program is in your overall best interest.

We have taken steps to manage this conflict of interest. We have adopted an impartial conduct standard whereby our investment adviser representatives will (i) provide investment advice to a retirement plan participant regarding a rollover of funds from the retirement plan in accordance with the fiduciary status described below, (ii) not recommend investments which result in PAM receiving unreasonable compensation related to the rollover of funds from the retirement plan to an IRA, and (iii) fully disclose compensation received by PAM and our supervised persons and any material conflicts of interest related to recommending the rollover of funds from the retirement plan to an IRA and refrain from making any materially misleading statements regarding such rollover.

When providing advice to you regarding a retirement plan account or IRA, our investment advisor representatives will act with the care, skill, prudence, and diligence under the circumstances then

prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, based on the investment objectives, risk, tolerance, financial circumstances, and a client's needs, without regard to the financial or other interests of PAM or our affiliated personnel.

### **Services Limited to Specific Types of Investments**

PAM generally limits its money management to mutual funds, equities, bonds, fixed income, debt securities, ETFs, REITs, and government securities. PAM may use other securities as well to help diversify a portfolio when applicable.

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

PAM offers the same suite of services to all of its clients. However, specific client financial strategies and goals are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a specific strategy to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent PAM from properly servicing the client account, or if the restrictions would require PAM to deviate from its standard suite of services, PAM reserves the right to end the relationship.

### **D. Wrap Fee Programs**

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. PAM does not participate in any wrap fee programs.

### **E. Amounts Under Management**

Patriot Asset Management, Inc. has the following assets under management:

<b>Discretionary Amounts:</b>	<b>Non-discretionary Amounts:</b>	<b>Date Calculated:</b>
\$28,409,986	\$0	06/30/2023

## Item 5: Fees and Compensation

### A. Fee Schedule

#### *Investment Supervisory Services Fees*

Total Assets Under Management	Annual Fee
First \$1,000,000	0.60%
Next \$750,000	0.50%
Next \$750,000	0.35%
Remaining Balance over \$2,500,000	0.20%
Minimum Fee	\$40.00 / Annually
Retirement Builder Account	0.60% w/ \$40.00 Minimum Annual Fee

These fees are negotiable depending upon the needs of the client and complexity of the situation and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Fees are paid quarterly in advance, and clients may terminate their contracts with fifteen days' written notice. Advisory fees are withdrawn directly from the client's accounts with client written authorization.

Refunds are given on a prorated basis, based on the number of days remaining in a quarter at the point of termination. Fees that are collected in advance will be refunded based on the prorated amount of work completed up to the day of termination within the quarter terminated. The fee refunded will be the balance of the fees collected in advance minus the daily rate\* times the number of days in the quarter up to and including the day of termination. (\*The daily rate is calculated by dividing the quarterly AUM fee by the number of days in the termination quarter). Clients may terminate their contracts without penalty, for full refund, within 5 business days of signing the advisory contract.

Advisory fees are withdrawn from the client's accounts with client written authorization.

## **B. Payment of Fees**

### **Payment of Investment Supervisory Fees**

Advisory fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid quarterly in advance.

Advisory fees may also be invoiced and billed directly to the client quarterly in advance. Clients may select the method in which they are billed.

## **C. Clients are Responsible For Third Party Fees**

Clients are responsible for the payment of all third-party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by PAM. Please see Item 12 of this brochure regarding broker/custodian.

## **D. Prepayment of Fees**

PAM collects fees in advance. Fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination and the total days during the billing period. Fees will be deposited back into client's account within fourteen days.

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

## **E. Outside Compensation For the Sale of Securities to Clients**

Neither PAM nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds.

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

PAM does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.



## Item 7: Types of Clients

PAM generally provides management supervisory services to the following types of clients:

- ☐ Individuals
- ☐ High-Net-Worth Individuals
- ☐ Corporations or Business Entities

### *Minimum Account Size*

There is no account minimum.

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

### A. Methods of Analysis and Investment Strategies

#### *Methods of Analysis*

PAM's methods of analysis include fundamental analysis, technical analysis, and cyclical analysis.

Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

Technical analysis involves the analysis of past market data; primarily price and volume.

Cyclical analysis involved the analysis of business cycles to find favorable conditions for buying and/or selling a security.

#### *Investment Strategies*

PAM uses long term trading and short-term trading.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### B. Material Risks Involved

#### *Methods of Analysis*

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Technical analysis** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.

**Cyclical analysis** assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two- fold: 1) the markets do not always repeat cyclical patterns and 2) if too many investors begin to implement this strategy, it changes the very cycles they are trying to take advantage of.

### ***Investment Strategies***

Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Short term trading generally holds greater risk and clients should be aware that there is a material risk of loss using any of those strategies.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### **C. Risks of Specific Securities Utilized**

PAM generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss. Mutual funds are not guaranteed or insured by the FDIC or any other government agency. You can lose money investing in mutual funds. All mutual funds have costs that lower investment returns. They can be of bond “fixed income” nature (lower risk) or stock “equity” nature (mentioned above).

**Equity** investment generally refers to buying shares of stocks by an individual or firms in return for receiving a future payment of dividends and capital gains if the value of the stock increases. There is an innate risk involved when purchasing a stock that it may decrease in value and the investment may incur a loss.

**Treasury Inflation Protected/Inflation Linked Bonds:** The Risk of default on these bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal.

**Fixed Income** is an investment that guarantees fixed periodic payments in the future that may involve economic risks such as inflationary risk, interest rate risk, default risk, repayment of principal risk, etc.

**Debt securities** carry risks such as the possibility of default on the principal, fluctuation in interest rates, and counterparties being unable to meet obligations.

**Stocks & Exchange Traded Funds (ETF):** Investing in stocks & ETF's carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Investments in these securities are not guaranteed or insured by the FDIC or any other government agency.

**REITs** have specific risks including valuation due to cash flows, dividends paid in stock rather than cash, and the payment of debt resulting in dilution of shares.

**Precious Metal ETFs** (Gold, Silver, Palladium Bullion backed “electronic shares” not physical metal): Investing in precious metal ETFs carries the risk of capital loss.

**Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various other types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Short term trading** risks include liquidity, economic stability, and inflation.

**Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-Regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

## **Item 10: Other Financial Industry Activities and Affiliations**

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither PAM nor its representatives are registered as or have pending applications to become a broker/dealer or as representatives of a broker/dealer.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator or a Commodity Trading Advisors**

Neither PAM nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interest**

Gerard Murray is the Town Justice for the Town of Mohawk in Montgomery County in the State of NY from January 2024 to present. As a Town Justice, Gerry Murray is responsible for presiding over a weekly court for any offenses that occur in the Town. Gerry Murray is compensated for his position as Town Justice. Town courts in New York have jurisdiction over a broad range of matters including vehicle and traffic matters, small claims, evictions, civil matters and criminal offenses. As Town Justice, Gerry Murray will have authority on two bank accounts for the collections of fines and bail. These accounts are supervised by the Comptroller of New York and reports are filed monthly with New York State on all transactions. All monies collected are turned over to the State on a monthly basis. There is a conflict of interest if a client of Patriot Asset Management must appear in the Town of Mohawk Court. This conflict will be mitigated by Gerard Murray recusing himself from those matters and moving those appearances to another justice in the jurisdiction.

### **D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

PAM does not utilize nor select other advisers or third-party managers. All assets are managed by PAM management.

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

### **A. Code of Ethics**

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting,

Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Our Code of Ethics is available free upon request to any client or prospective client.

#### **B. Recommendations Involving Material Financial Interests**

PAM does not recommend that clients buy or sell any security in which a related person to PAM or PAM has a material financial interest.

#### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of PAM may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of PAM to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. PAM will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

#### **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of PAM may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of PAM to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. PAM will always transact client's transactions before its own when similar securities are being bought or sold.

### **Item 12: Brokerage Practices**

#### **A. Factors Used to Select Custodians and/or Broker/Dealers**

Based on their relatively low transaction fees, name recognition, powerful background and access to mutual funds and ETFs, the Custodian will be chosen to be the recommended custodian. PAM will never charge a premium or commission on transactions, beyond the actual cost imposed by Custodian.

#### **1. Research and Other Soft-Dollar Benefits**

PAM receives no research, product, or services other than execution from a broker-dealer or third-party in connection with client securities transactions ("soft dollar benefits").

## **2. Brokerage for Client Referrals**

PAM receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

## **3. Clients Directing Which Broker/Dealer/Custodian to Use**

PAM will require clients to use a specific broker-dealer to execute transactions.

### **B. Aggregate (Block Trading) for Multiple Client Accounts**

PAM maintains the ability to block trade purchases across accounts. Block trading may benefit a large group of clients by providing PAM the ability to purchase larger blocks resulting in smaller transaction costs to the client. Declining to block trade can cause more expensive trades for clients.

## **Item 13: Reviews of Accounts**

### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

Client accounts are reviewed at least quarterly only by Gerard C. Murray, President and Managing Director. Gerard C. Murray is the chief advisor and reviews clients' accounts with regard to clients' respective investment policies and risk tolerance levels annually with clients. All accounts at PAM are assigned to this reviewer.

### **B. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

### **C. Content and Frequency of Regular Reports Provided to the Client**

Each client will receive at least quarterly from the custodian, a written report that details the client's account including assets held and asset value which will come from the custodian. PAM itself does not provide clients with reports.

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

### **A. Economic Benefit Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

PAM does not receive any economic benefit, directly or indirectly from any third party for advice rendered to PAM clients.

### **B. Compensation to Non – Advisory Personnel for Client Referrals**

PAM does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

### **Item 15: Custody**

PAM, with client written authority, has limited custody of client's assets through direct fee deduction of PAM's fees only. If the client chooses to be billed directly by the Custodian, PAM would have constructive custody over that account and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy. Clients will receive statements from the custodian. PAM does not provide account statements to clients in addition to those provided by the custodian.

### **Item 16: Investment Discretion**

For those client accounts where PAM will have investment discretion, the client has given PAM written discretionary authority over the client's accounts with respect to securities to be bought or sold and the amount of securities to be bought or sold. Details of this relationship are fully disclosed to the client before any advisory relationship has commenced. The client provides PAM discretionary authority via a discretionary investment management clause in the Investment Advisory Contract and/or a limited power of attorney clause in the contract between the client and the custodian.

### **Item 17: Voting Client Securities (Proxy Voting)**

PAM will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

### **Item 18: Financial Information**

#### **A. Balance Sheet**

PAM does not require nor solicit prepayment of more than \$1200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

#### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither PAM nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

#### **C. Bankruptcy Petitions in Previous Ten Years**

PAM has not been the subject of a bankruptcy petition in the last ten years.