

# DELTA ADVISORY GROUP, INC.

FIRM BROCHURE  
Part 2A of Form ADV

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Maitland, Florida 32751  
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[www.DeltaAdvisory.com](http://www.DeltaAdvisory.com)

March 2024

This brochure provides information about the qualifications and business practices of Delta Advisory Group, Inc. ("DAG" or the "Firm"). If you have any questions about the contents of this brochure, please contact us at 407-331-9213 or [MJohnson@DeltaAdvisory.com](mailto:MJohnson@DeltaAdvisory.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about Delta Advisory Group, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The firm's CRD number is 105966.

## **Item 2      Material Changes**

This brochure, dated March 2024, provides you with a summary of DAG's advisory services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest, among other things. Any material changes made since the last Brochure update in March 2023 will be listed below.

### **Material Changes**

Should a material change in our operations occur, depending on the nature of the change, DAG will promptly communicate this change to Clients (and it will be summarized in this Item). "Material changes" requiring prompt notification will include changes in ownership or control; location; disciplinary proceedings; significant changes to our advisory services or advisory affiliates; or any information that is critical to a Client's full understanding of who the Firm is; how to find us, and how we do business.

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## **Item 4      Advisory Business**

### **About Delta Advisory Group, Inc. (“DAG”)**

DAG is a Florida corporation founded in 1996. DAG is an investment adviser registered with the Securities & Exchange Commission (“SEC”) with its home office located at 696 North Maitland Avenue, Maitland, Florida, 32751. DAG maintains a branch office at 698 North Maitland Avenue Suite 201, Maitland, Florida 32751.

Please note that the words “we,” “us,” and “our” may be used to refer to DAG throughout this brochure, as the context may require. Furthermore, the words “you,” “your,” and “Client” may be used to refer to you as either a client or a prospective client of DAG, as the context may require.

DAG’s principal shareholder (i.e., those individuals and/or entities controlling 25% or more of this company) is:

- Clarence – Pelton, LTD

### **Advisory Services Offered**

Prior to forming an investment advisor-client relationship, DAG may offer a complimentary general consultation to prospective Clients to discuss the nature of its service offerings and to determine the possibility of a potential advisory relationship. Investment advisory services begin only after the prospective Client and DAG formalize their relationship with a properly executed written advisory agreement.

### **Portfolio Management**

DAG provides continuous advice to a Client regarding the investment of Client funds and non-continuous asset management of Client funds based on individual needs of the Client. Through personal discussions and the data gathering process, the Client’s goals and objectives based on a his/her particular circumstances are established to determine the appropriate manner in which to manage the Client’s portfolio. During our data gathering process, we determine the Client’s individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client’s prior investment history, as well as family composition and background.

DAG manages these advisory accounts on a discretionary basis. Account supervision is guided by the client’s stated objectives and tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

DAG’s investment recommendations are not limited to any specific product or service offered by a broker/dealer or insurance company. Because some types of investments involve certain additional degrees of risk, they will only be implemented or recommended

when consistent with the Client's stated investment objectives, tolerance for risk, liquidity, and suitability.

### Selection of Broker by DAG

As a condition of participation in most services with DAG, Clients are generally required to maintain their brokerage account(s) at Charles Schwab & Co. Inc. ("Schwab").

### Financial Planning Services

DAG provides financial planning services. Financial planning is a comprehensive evaluation of a Client's current and future financial state by using currently known variables to predict the future cash flows, asset values, and withdrawal plans. Through the financial planning process, all questions, information, and analysis are considered as they impact and are impacted by the entire financial and life situation of the Client. Clients purchasing this service receive a written report which provides the Client with a detailed financial plan designed to assist the Client in achieving his/her financial objectives.

Generally, the financial plan addresses any or all of the following areas: personal situations, tax and cash flow, investments, insurance, retirement, death and disability, and estate. DAG gathers required information through written information and documentation provided by the Client, as well as in-depth personal interviews. The information gathered includes the Client's current financial status, tax status, future goals, return objectives, and attitudes towards risk. Should the Client choose to implement the recommendations contained in the plan, we will suggest the Client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of the financial plan recommendations is entirely at the Client's discretion.

DAG also provides general non-securities advice on topics that may include tax and budgetary planning, estate planning, and business planning.

Typically, the financial plan is presented to the Client within six months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided.

Financial planning recommendations are not limited to any specific product or service offered by a broker/dealer or insurance company.

### Consulting

There are situations in which a DAG investment advisor provides advice on specific topics not involving a comprehensive financial plan. Often, these situations are associated with events such as divorce, death, retirement, or a child entering college.

### Newsletters

DAG provides Clients with newsletters sent monthly that include updates and investment-related advice.

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

DAG will tailor services for each individual Client based on industry standards and information gathered from Client suitability forms such as the Risk Tolerance Questionnaire and the Client Profile. Clients may impose restrictions in receiving recommendations for investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent DAG from making proper recommendations for the Client account, DAG reserves the right to end the relationship.

### **IRA Rollover Considerations & Recommendations**

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account (IRA) that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset-based fee as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee-based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

We comply with the Department of Labor ("DOL") Prohibited Transaction Exemption 2020-02 ("PTE 2020-02") where applicable. Our firm is providing the following additional acknowledgment:

When the Adviser provides investment advice to individuals regarding a retirement plan account or individual retirement account, the firm is deemed a fiduciary 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 the Adviser makes money creates potential conflicts with a client's interest. Therefore, the Adviser, operates under a special rule which requires the firm to act in a client's best interest and not put the Adviser's interest ahead of the client. Under this special rule's provisions, the Adviser must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put the Adviser's financial interests ahead of a client when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees and investments;
- Follow policies and procedures designed to ensure advice given is in the client's best interest;
- Charge no more than is reasonable for services; and • Provide basic information about conflicts of interest.

### **Client Assets Under Management**

As of December 31, 2023, DAG provides continuous management services for \$174,000,000 in client assets for 446 clients on a discretionary basis. DAG does not currently provide any non-discretionary portfolio management.

## **Item 5      Fees and Compensation**

### **Portfolio Management Fees**

DAG's annual fees for Portfolio Management are based upon a percentage of assets under management up to 2.95%.

The fees are billed quarterly or semiannually, in advance, at the beginning of each calendar period based upon the value (market value or fair market value in the absence of market value), of the client's account(s) at the end of the previous period. For some Clients, the value of fees to be paid six months or more, in advance, may exceed \$500.

For most Clients, fees will be debited from the account in accordance with the client authorization in the Client Services Agreement; however, under certain circumstances and at DAG's discretion, the Client has the option of being billed for advisory fees.

Though the fees charged by DAG are generally considered to be reasonable, Clients could find the same or similar services offered by other investment advisors who charge fees that are lower than the fees charged by DAG.

### **Limited Negotiability of Advisory Fees**

DAG retains the discretion to negotiate alternative fees on a client-by-client basis. Client's facts, circumstances, and needs are considered in determining the fee schedule, including but not limited to, the complexity of the client's situation, assets to be placed under management, anticipated future business, related accounts, portfolio style, account composition, among other factors. The specific annual fee schedule is identified in the investment advisory agreement between DAG and the Client.

DAG may group certain related Client accounts for the purposes of achieving the minimum account size requirements and determining annualized fee.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons.

### **Financial Planning and Consulting Fees**

DAG's financial planning fee is determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

Financial planning fees are calculated and charged on an hourly basis, ranging from \$195 to \$295 per hour. Although the length of time it takes to provide a financial plan depends on each client's personal situation, DAG will provide an estimate for the total hours at the start of the advisory relationship.



The fee for this service is separated into two payments: 50% of the estimated planning hours are due upon entering into the agreement for financial planning services and the balance, based on actual hours of service accrued, is due upon delivery of the completed financial plan.

### **Newsletters**

Newsletters are sent to all Clients, free of charge, on a monthly basis.

### **General Information**

#### **Mutual Fund Fees**

All fees paid to DAG for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or exchange traded funds. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. Accordingly, the Client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the Client and to thereby evaluate the advisory services

#### **Termination of the Advisory Relationship**

A client agreement can be cancelled at any time with written notice of cancellation and will become effective ninety days following receipt of written notice by DAG. Client is entitled to a refund of any unearned portion of the management fee. For Clients who are residents of California, Maryland, Massachusetts, and Pennsylvania, the termination notifications will become effective thirty days following receipt by DAG.

Clients will receive a copy of Form ADV Part 2A prior to entering into an advisory agreement. For Clients who are residents of Pennsylvania, if a copy of Form ADV Part 2A is not provided to the Client at least 48 hours prior to signing an agreement, the Client has five (5) business days to cancel the agreement, with no penalty.

Where Client is entitled to a refund of unearned management fees, such fees will be prorated based upon the number of days that DAG's advisory services were actually rendered during the termination quarter. Any unearned fees will be returned to the Client.

#### **Additional Fees and Expenses**

In addition to our advisory fees, clients are also responsible for other fees and expenses charged by custodians and imposed by broker/dealers, including but not limited to, any transaction imposed by a broker/dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to Item 10 of this brochure, "Brokerage Practices", for additional information.

### ERISA Accounts

Pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986, the Firm is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts. As such, we are subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, we may only charge fees for investment advice about products for which the Firm and/or related persons do not receive any commissions or 12b-1 fees, except that the Firm and/or related persons may provide investment advice about products for which we receive commissions or 12b-1 fees, only if such fees are used to offset our advisory fees.

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

DAG does not charge performance-based fees.

DAG's personnel may manage accounts which belong either to themselves, individually, or to their family (collectively, Proprietary Accounts) or the accounts of affiliated entities (Affiliated Accounts) while simultaneously continuing to manage DAG's accounts. It is possible that orders for Proprietary Accounts and Affiliated Accounts may be entered opposite to orders for Clients' Accounts, pursuant to, for instance, a different trading strategy, or trading at a different risk level. The management of any Proprietary Account or Affiliated Account is subject to the duty of DAG and its personnel to exercise good faith and fairness in all matters affecting its Clients' account.

## **Item 7      Types of Clients**

DAG provides advisory services to a variety of Clients including, but not limited to:

- Individuals (other than high net worth individuals)
- High net worth individuals

### *Minimum Account Size*

DAG does not have a minimum account size.

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

### **Methods of Analysis**

The firm uses the following methods of analysis in formulating our investment advice and/or managing client assets:

#### **Charting**

In this type of technical analysis, DAG reviews charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.

#### **Fundamental Analysis**

DAG attempts to measure intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be a time to sell). Fundamental analysis does not attempt to anticipate market movements, which presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

#### **Technical Analysis**

DAG analyzes past market movements and applies that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company and, therefore, presents a risk in that a poorly managed or financially unsound company may underperform regardless of market movement.

#### **Cyclical Analysis**

In this type of technical analysis, DAG measures the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

#### **Risks for all forms of analysis**

DAG securities analysis methods rely on the assumption that the companies whose securities DAG purchases and sells, the rating agencies that review these securities, and other publicly available sources of information about these securities are providing accurate and unbiased data. While DAG is alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

## **Investment Strategies**

DAG uses the following strategies in managing Client accounts, provided that such strategies are appropriate to the needs of the Client and consistent with the Client's investment objectives, risk tolerance, and time horizons, among other considerations:

### **Long-Term Purchases**

DAG purchases securities with the idea of holding them in the Client's account for a year or longer. Typically, we employ this strategy when we believe the securities to be currently undervalued and/or want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to the Client. Moreover, if we are incorrect, a security may decline sharply in value before we make the decision to sell.

### **Short-Term Purchases**

When utilizing this strategy, DAG purchases securities with the idea of selling them within a relatively short time (less than a year). Typically, we employ this strategy in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A short-term purchase strategy poses the risk that, should the anticipated price swing not materialize, we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, this strategy involves more frequent trading than does a longer-term strategy and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

### **Trading**

DAG purchases securities with the idea of selling them very quickly (30 days or less), in an attempt to take advantage of brief price swings.

Utilizing a trading strategy creates the potential for sudden losses if the anticipated price swing does not materialize. Moreover, under those circumstances, we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, because this strategy involves more frequent trading than does a longer-term strategy, there will be a resultant increase in brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

### Margin Transactions

DAG will purchase stocks for a Client's portfolio with money borrowed from the Client's brokerage account. Purchasing on margin allows a Client to purchase more stock than he/she would be able to with his/her available cash and allows us to purchase stock without selling other holdings.

### Option Writing

DAG may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we believe that the stock will increase substantially before the option expires.
- A put gives the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we believe that the price of the stock will fall before the option expires.

DAG will use options to hedge on the possibility of a sharp price swing or hedge a purchase of the underlying security. In other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for the Client's portfolio.

DAG uses "covered calls", in which we sell an option on a security the Client owns. In this strategy, the Client receives a fee for making the option available, and the person purchasing the option has the right to buy the security from the Client at an agreed upon price.

We use a "spreading strategy", in which two or more option contracts for the same underlying security. This strategy effectively puts the Client on both sides of the market, but with the ability to vary price, time, and other factors.

### Risks of Loss

The assets in the portfolios are financial securities. Any investment of this type involves a risk of loss, not only of income but of investment dollars which the investor client must be prepared to bear. An extended period of market uncertainty or economic recession could result in significant loss of value.

## **Item 9      Disciplinary Information**

DAG is required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

There are no reportable disciplinary events for DAG or its management personnel.



## **Item 10 Other Financial Industry Activities & Affiliations**

### **Broker-Dealer or other Investment Advisors**

As of the date of this brochure, neither DAG nor its management are or intend to become registered as a broker-dealer and no individuals affiliated with our firm are currently registered representatives of a broker-dealer.

### **Futures or Commodities Registration**

Neither DAG nor its management are or intend to become registered as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of any of the foregoing.

### **Material Relationships with Related Persons**

Mr. Donald Nestor is licensed to sell insurance products and may receive separate, yet customary commission compensation for effecting insurance sales. This may represent a potential conflict of interest because he may have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase products through any person affiliated with our firm.

Mr. Anthony DeLuca is licensed to sell insurance products and may receive separate, yet customary commission compensation for effecting insurance sales. This may represent a potential conflict of interest because he may have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase products through any person affiliated with our firm.

Mr. Roy Miranda is the managing member of Delta Insurance Group, LLC ("DIG") through which he is licensed to sell insurance products and may receive separate, yet customary commission compensation for effecting insurance sales. This may represent a potential conflict of interest because he may have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase products through any person affiliated with our firm.

Since no investment advisers are licensed to sell insurance products in the state of Pennsylvania, insurance products will not be offered by DAG to Clients who reside in Pennsylvania.

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

### **Code of Ethics**

DAG has adopted a Code of Ethics ("Code") which sets forth high ethical standards of business conduct that DAG requires of its employees, including compliance and applicable federal securities laws.

The Code is designed to ensure that the personal securities transactions, activities, and interests of our employees will not interfere with: (i) making decisions in the best interest of advisory clients; and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

A copy of the Code is available to our advisory clients and prospective clients. You may request a copy by email to [MJohnson@DeltaAdvisory.com](mailto:MJohnson@DeltaAdvisory.com), or by calling us at 407-331-9213.

### **Participation or Interest in Client Transactions & Personal Trading**

From time to time, DAG and/or individuals associated with DAG may buy or sell for their personal accounts securities identical to or different from those recommended to the Clients. In addition, any related person may have an interest or position in a certain security which may also be recommended to a Client.

It is our expressed policy that no person employed by DAG may purchase or sell any security prior to transactions being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

DAG may aggregate employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro rata basis. In the instances where there is a partial fill of a particular batched order, DAG will allocate all purchases pro rata, with each account paying the average price. Our employee accounts will be included in the pro rata allocation.

## Item 12 Brokerage Practices

For discretionary clients, DAG requires clients to provide us with written authority to: (1) determine the broker/dealer to use; (2) the commission costs that will be charged to these clients for those transactions; and (3) provide limitations on discretionary authority. Clients may amend these limitations as required. Such amendments must be provided to us in writing.

DAG has an arrangement with Charles Schwab & Co. Inc. ("Schwab") through which Schwab provides us with "institutional platform services". The institutional platform services include, among others, brokerage, custody, and other related services. Schwab's institutional platform services that assist us in managing and administering clients' accounts include software and other technology that: (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

We will arrange for the execution of securities brokerage transactions for the account through Schwab. In seeking best execution, the determinative factor is not lowest possible commission cost but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealers' service, including the value of research provided, execution capability, commission rates and responsiveness. Accordingly, although we will seek competitive commission rates, we may not necessarily obtain the lowest possible commission rate for account transactions.

Clients are encouraged, but not required, to establish an account with Schwab. The client may direct DAG to use a particular broker-dealer (subject to our right to decline and/or terminate the engagement) to execute some or all transactions for the client's account. In such event, the Client will negotiate terms and arrangements for the account with that broker-dealer and DAG will not seek better execution services or prices from other broker-dealers. As a result, Client may pay higher commissions or other transaction costs or greater spreads or receive less favorable net prices on transactions for the accounts than would otherwise be that case. In the event that transactions for client accounts are executed through a broker-dealer that refers clients to DAG, the potential for conflict of interest may arise.

### **Order Aggregation**

We may, but are not obligated to, combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). In the event orders are block traded, we will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share

for all transactions and pays a proportionate share of all transaction costs on any given day.

Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment. In the event orders are not block traded, you may pay different prices for the same securities transactions than other clients pay. Furthermore, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than if orders were aggregated.

## **Item 13     Review of Accounts**

### **Portfolio Management**

While the underlying securities within accounts for which DAG provides Portfolio Management services are continually monitored, Client accounts are reviewed quarterly. Accounts are reviewed in the context of each Client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the Client's individual circumstances, or the market, political, or economic environment.

Mr. Alexander Petsos is responsible for the quarterly review of Client accounts.

### **Financial Planning**

While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for financial planning clients unless the Client contracts for additional services.

Financial planning Clients will receive a completed financial plan. Additional reports will not typically be provided unless the client contracts for additional services.

### **Reports**

You will receive account statements from Schwab or other qualified custodian at least quarterly. Account performance reports are used in account reviews with Clients. In some instances, copies of those performance reports may be provided to the Client.

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

It is our policy not to engage solicitors or to pay related or non-related persons for referring potential clients to DAG.

### *Other Compensation*

DAG and/or its associated persons are eligible to receive incentive awards (including prizes such as trips or bonuses) for recommending certain types of investment product.

While we endeavor at all times to put the interest of our clients first as part of our fiduciary duty, the possibility of receiving incentive awards creates a conflict of interest and may influence the judgement of these individuals when making recommendations.

As listed in Item 10, the firm principals and some access persons receive additional compensation from their outside business activities. Some of these outside business activities can create a conflict of interest because these persons could be incentivized by compensation to make certain recommendations.

## Item 15 Custody

DAG is considered to take custody of Client assets in two ways. DAG has limited custody of Client assets due to the debiting of advisory fees from the Client's account. DAG is also considered to take custody of Client assets for which there is a standing letter of authorization ("SLOA") signed by the Client and submitted to the qualified custodian.

### Debiting of Fees

As previously disclosed in Item 5 of this Brochure, "Fees and Compensation", we directly debit advisory fees from most client accounts which imputes *limited custody* of those assets. As part of this billing process, the Client's qualified custodian is advised of the amount of the fee to be deducted from the Client's account. You will receive account statements from Schwab, or other qualified custodian, at least quarterly. These account statements will indicate the amount of our advisory fees deducted from your account(s) each billing period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

### Standing Letters of Authorization

Some Clients also have SLOAs that allow DAG's advisors to disburse funds or move funds between specified accounts on the Client's behalf. This ability causes DAG to exercise *custody* over the funds or securities for which there is a SLOA as noted in Form ADV Part 1, Item 9A.

You will receive account statements from Schwab or other qualified custodian at least quarterly. These account statements will indicate any transactions made during that period. You should carefully review account statements sent to you reflecting the amount of advisory fee deducted from your account.

If you have a question regarding your account statement, or if you did not receive a statement from your custodian, please contact us directly at the telephone number on the cover page of this brochure.

DAG complies with the safekeeping provisions required of firms that maintain custody as described above.

## **Item 16      Investment Discretion**

Clients may hire DAG to provide discretionary asset management services, in which case we are not required to obtain the client's permission prior to placing trades in a client's account. This discretionary authority includes the ability to determine the security to buy or sell and/or the amount of the security to buy or sell without first contacting the client.

Clients give DAG discretionary authority when they sign a discretionary agreement with us and may limit this authority by giving us written instructions. Clients may also amend such authority by providing us with written instructions.



## **Item 17      Voting Client Securities**

As a matter of policy, we do not vote proxies on behalf of Clients. Therefore, although we may provide investment advisory services as to client investment of assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted; and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type of events pertaining to client's investment assets. Clients are responsible for instructing each custodian of the assets to forward copies of all proxies and shareholder communications relating to the client's investment assets to the Client.

DAG may provide a client with consulting assistance regarding proxy issues if the client contacts us with questions at our principal place of business.

## Item 18 Financial Information

### Prepayment of Fees – Financial Statements

There are some Clients for which DAG requires prepayment of more than \$500 in fees more than six months in advance. As such, financials have been prepared and submitted by an independent public accountant.

### Financial Conditions

DAG also maintains discretionary authority of Client assets. There are no financial conditions that are reasonably likely to impair our ability to meet any contractual commitments to our Clients.

### Bankruptcy

DAG has **not** been the subject of a bankruptcy petition at any time during the past ten years.