



# THE RIKOON GROUP

POWERED BY  HIGHTOWER

## The Rikoon Group

Investment Advisory Services Brochure

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March 31, 2024

If you have any questions about the contents of this Brochure, please contact us at the number above. 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.

The Rikoon Group is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about The Rikoon Group also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

Since its last Amendment filing on March 31, 2022, there have been no material changes to this Brochure.

**ANY QUESTIONS:** The Rikoon Group’s Chief Compliance Officer, Kyle Burns, remains available to address any questions regarding Brochure.

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#### **Item 4 – Advisory Business**

The Rikoon Group, LLC (“The Rikoon Group” or “Advisor”) is registered as an investment advisory firm under the United States Securities and Exchange Commission (“SEC”).

The Rikoon Group, which was initially known as Rikoon Investment Advisors, Inc., and subsequently known as Rikoon-Carret Investment Advisors and Rikoon-Carret Wealth Management Group, was partially acquired by The Edelman Financial Group Inc. (TEFG) (formerly Sanders Morris Harris Group, Inc.) in 2007. In December 2012, TEFG acquired the remaining portion. In 2014, TEFG changed their name to Pinnacle Summer Investments, Inc. Rikoon Investment Advisors, Inc was established in 1987 by Robert A. Rikoon. Following the acquisition by TEFG, the name was changed to The Rikoon Group. The Rikoon Group is now wholly owned by Hightower Holding, LLC.

#### **Non-Discretionary Investment Supervisory Services**

The Rikoon Group provides Investment Supervisory Services which involves ongoing and continuous portfolio management services. These services include providing investment advice specific to non-publicly traded assets or Unaffiliated Private Investments currently held by clients.

Investment decisions and ongoing investment supervision are guided by the client’s stated individual needs, goals, objectives, time horizons, risk tolerance and suitability established via a data-gathering and discussion process. The Advisor assumes the information disclosed by clients in this data-gathering and discussion process is complete and accurate. If the client chooses to withhold information, the client must understand that comprehensive investment needs/objectives may not be fully considered.

The Rikoon Group believes that client participation in the investment process is critical. *Clients are advised to promptly notify The Rikoon Group if there are any changes in their financial situation or investment objectives, or if they wish to impose any reasonable restriction upon the Advisor’s management services.*

If an Investment Management Agreement includes related clients (e.g. husband and wife, life partners, etc.), our services will be based upon the joint goals communicated to us by either party. We are permitted to rely upon instructions from either party with respect to disposition of the assets, unless and until such reliance is revoked in writing to us. We are not responsible for any claims or damages resulting from such reliance or from any change in the status of the relationship between the clients.

Clients or The Rikoon Group may terminate the Investment Supervisory services immediately upon receipt of a 30-day written notice.

The Rikoon Group does not participate in a wrap fee program.

As of 12/31/2023 the Rikoon Group oversaw \$88,268,061 of clients’ assets on a non-discretionary basis.

#### **Financial Consultation Services**

The Rikoon Group is available to provide Financial Consultation Services on an hourly, project or annual basis. Prior to engaging the Advisor to provide financial consulting services, a client will generally (depending upon the level and/or scope of services to be provided) be required to enter into an Investment Supervisory Agreement setting forth the terms and conditions of the engagement and describing the scope of the services to be provided.

The Rikoon Group does not consider itself a comprehensive financial planner but can provide assistance in connection with various components of financial planning as part of these services, if desired.

The Rikoon Group does not provide tax or legal advice. Clients requiring assistance on issues outside of financial and investment advisory topics should consult their personal tax advisor, legal counsel, or other professionals for expert opinions.

## **MISCELLANEOUS**

**Non-Investment Consulting/Implementation Services.** To the extent specifically requested, The Rikoon Group may provide consulting services regarding non-investment related matters, such as tax and estate planning, insurance, etc. **Please Note:** The Rikoon Group **does not** serve as an attorney, accountant, or insurance agent, and no portion of our services should be construed as same. Accordingly, The Rikoon Group **does not** prepare legal documents, prepare tax returns, or sell insurance products. To the extent requested by a client, we may recommend the services of other professionals for non-investment implementation purpose (i.e. attorneys, accountants, insurance, etc.). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from The Rikoon Group and/or its representatives. **Please Also Note:** If the client engages any professional (i.e. attorney, accountant, insurance agent, etc.), recommended or otherwise, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from the engaged professional. At all times, the engaged licensed professional[s] (i.e. attorney, accountant, insurance agent, etc.), and **not** The Rikoon Group, shall be responsible for the quality and competency of the services provided.

**Client Obligations.** In performing its services, The Rikoon Group shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify The Rikoon Group if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising The Rikoon Group's previous recommendations and/or services.

**Please Note: Investment Risk.** Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by The Rikoon Group) will be profitable or equal any specific performance level(s).

**Unaffiliated Private Investment Funds.** The Rikoon Group primarily provides investment advice regarding unaffiliated private investment vehicles. The Rikoon Group, on a non-discretionary basis, may recommend that certain qualified clients consider an investment in unaffiliated private investment. The Rikoon Group's role relative to the private investment funds shall be limited to its initial and ongoing due diligence and investment monitoring services. If a client determines to become a private fund investor, the amount of assets invested in the fund(s) shall be included as part of The Rikoon Group's investment advisory fee. The Rikoon Group's clients are under absolutely no obligation to consider or make an investment in a private investment fund(s). Employees of The Rikoon Group may also invest in the same private investment vehicles in which clients invest.

Please note that private investments generally involve various risk factors, including, but not limited to, potential for loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each vehicle's offering documents, which will be provided to each client for review

and consideration. Unlike liquid investments that a client may maintain, private investments do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment.

In the event that The Rikoon Group references private investment funds owned by the client on any supplemental account reports prepared by The Rikoon Group, the value(s) for all private investment funds owned by the client shall reflect the most recent valuation provided by the fund sponsor. If the fund sponsor does not provide a post-purchase valuation, then the valuation shall reflect the initial purchase price (and/or a value as of a previous date) or the current value(s) (either the initial purchase price and/or the most recent valuation provided by the fund sponsor). If the valuation reflects the initial purchase price (and/or a value as of a previous date), then the current value(s) (to the extent ascertainable) **could be significantly more or less than the original purchase price.**

**Custodian Charges-Additional Fees:** As discussed below at Item 12 below, when requested to recommend a broker-dealer/custodian for client accounts related to non-publicly traded assets or Unaffiliated Private Investments, The Rikoon Group generally recommends Millennium Trust as the broker-dealer/custodian for client private assets. Custodians such as Millennium Trust charge transaction fees for effecting certain securities transactions. In addition to The Rikoon Group's investment management fee referenced in Item 5 below (and, to the extent applicable, the Independent Manager's investment management fee), the client will also incur transaction fees to purchase securities for the client's accounts. **ANY QUESTIONS: The Rikoon Group's Chief Compliance Officer, Kyle Burns, remains available to address any questions that a client or prospective client may have regarding the above.**

**Portfolio Activity.** The Rikoon Group has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, The Rikoon Group will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, fund manager tenure, style drift, account additions/withdrawals, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when The Rikoon Group determines that changes to a client's portfolio are neither necessary nor prudent. The Rikoon Group's investment management fee at Item 5 below shall remain payable during such periods of account inactivity. Of course, as indicated below, there can be no assurance that investment decisions made by The Rikoon Group will be profitable or equal any specific performance level(s).

**Please Note: Investment Risk.** Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by The Rikoon Group) will be profitable or equal any specific performance level(s).

**Disclosure Brochure.** A copy of The Rikoon Group's written Brochure as set forth on Part 2A of Form ADV shall be provided to each client before, or contemporaneously with, the execution of the applicable form of client Agreement.

## **Item 5 – Fees and Compensation**

### **Non-Discretionary Investment Supervisory Services Fees**

Investments with limited liquidity and valuation (as described above in Unaffiliated Private Investments) will be billed quarterly at a flat rate of \$75 per \$10,000 of capital invested, with a minimum fee of \$75. Investments that distribute principal in the calendar year, will be charged based upon the remaining capital invested at the end of each quarter.

The Rikoon Group's fee is agreed to at the time of engagement. Fees may be modified at The Rikoon Group's discretion, based on unusual circumstances, pre-existing relationships, or complex matters. The Rikoon Group's fee may also be dependent upon the amount and nature of assets to be managed, required services, complexities, or other factors. The Rikoon Group reserves the right to provide pro bono services for some charitable organizations, family members, or for persons with special needs.

As indicated in the Investment Management Agreement, clients will be invoiced at the beginning of each calendar quarter, based upon the portfolio's market value as determined by the client's custodial firm on the last trading day of the preceding quarter. Accounts initiated or terminated during a calendar quarter will be refunded a prorated fee. Upon termination, any earned, unpaid fees will be due and payable immediately.

Payment of Investment Supervisory fees may be made directly by the client within 10 days of the invoice or payment of fees may be made through direct debit of the client's account by the qualified custodian holding the client's funds and securities.

The fees noted herein represent fees for advisory services only. Depending upon the type of transaction, clients could pay transaction fees and brokerage commission to their broker/dealer as well as any fees associated with their particular accounts (e.g., account opening, maintenance, transfer, termination, cash wire transfer, retirement plan, trust fees, and any applicable third-party fees).

**ANY QUESTIONS: The Rikoon Group's Chief Compliance Officer, Kyle Burns, remains available to address any questions that a client or prospective client may have regarding advisory fees.**

### **Non-Discretionary Investment Supervisory Services Fees**

The investment management fees charged by the designated outside *Independent Manager(s)*, together with the fees charged by the corresponding designated broker-dealer/custodian of the client's assets, are generally exclusive of, and in addition to, The Rikoon Group's ongoing investment advisory fee.

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

The Rikoon Group does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

## **Item 7 – Types of Clients**

The Rikoon Group provides portfolio management services to families, individuals, trusts, charitable organizations, corporate pension and profit-sharing plans.

As indicated above, The Rikoon Group's fee is agreed to at the time of engagement. Fees may be modified at The Rikoon Group's discretion, based on unusual circumstances, pre-existing relationships, or complex matters. The Rikoon Group's fee may also be dependent upon the amount and nature of assets to be managed, required services, complexities, or other factors. The Rikoon Group reserves the right to provide pro bono services for some charitable organizations, family members, or for persons with special needs.

The Advisor reserves the right to decline to provide services to any person or firm for any reason. Independent Managers utilized by clients may have program minimums pursuant to their disclosure documents.

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

The Rikoon Group provides Investment Supervisory Services which involves ongoing and continuous portfolio management services specific to non-publicly traded assets or Unaffiliated Private Investments currently held by clients. An Advisory Representative discusses the risks of investing with each client and together they develop an investment strategy based upon the client's risk tolerances and objectives before any investing takes place. The investment strategy is reviewed and updated as needed based upon changes in the client's goals and/or risk tolerance.

Investing in alternative investments is a way to further diversify portfolios. Such non-publicly traded assets or Unaffiliated Private Investments currently held by clients may include asset classes such as: real estate, private equity, collectibles, and private loans. The risk of investing in alternatives tends to be higher than traditional investment vehicles due to lack of liquidity, limited secondary market, higher maintenance costs, as well as market conditions unique to these investments. As applicable, a complete discussion of the risks is set forth in each alternative investment's offering documents, which is provided to the prospective client for review, acknowledgement and acceptance before investing in such investment.

All other advice and analysis is done through the broader Rikoon Group relationship with Hightower Advisors LLC.

#### **Item 9 – Disciplinary Information**

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

The Rikoon Group and our management personnel have no reportable disciplinary events to disclose.

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

Neither The Rikoon Group, 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 The Rikoon Group, 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.

The Rikoon Group is now wholly owned by Hightower Holding, LLC. The recommendation by The Rikoon Group or its representatives that its clients seek services from any firms associated with Hightower Holding, LLC, affiliated entities would present a conflict of interest, because The Rikoon Group or its affiliates would have the incentive to make such a recommendation based upon income generated, rather than a client's particular need. Therefore, The Rikoon Group and its representatives do not recommend that its clients seek services from these affiliated entities. Accordingly, these affiliations do not impact the investment advisory services provided by The Rikoon Group, which maintains its independence with regard to investment style, operations, personnel and all other areas relevant to client service and portfolio management.

The Rikoon Group does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

The Rikoon Group has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at The Rikoon Group must acknowledge the terms of the Code of Ethics annually, or as amended. Annually each employee must certify that he/she has complied with the Code of Ethics during that year. Employees are required to report any violations of the Code of Ethics promptly to Kyle Burns, President and Chief Compliance Officer.

The Rikoon Group's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Kyle Burns at [kyle.burns@rikoongroup.com](mailto:kyle.burns@rikoongroup.com).

Occasionally, investment objectives of clients are similar to that of the Advisory Representatives of the Advisor, and this may lead to personal investments made in the same investments as clients. The Rikoon Group's Advisory Representatives and associated persons are required to follow The Rikoon Group's Code of Ethics. Subject to satisfying this policy and applicable laws, Advisory Representatives of The Rikoon Group may trade for their own accounts in securities which are recommended to and/or purchased for the Advisor's clients. This may present a conflict of interest however the Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of The Rikoon Group 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. Because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between The Rikoon Group and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with The Rikoon Group's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. The Rikoon Group will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.



There may exist rare occasions when The Rikoon Group will sell a particular security for one of our clients (for example, because the client needs to raise cash or is changing investment priorities) at the same time that we buy the same security for another client. By identifying a particular security and instructing a broker to sell from one account and purchase in the other, The Rikoon Group follows best execution policies to ensure that clients are not disadvantaged.

#### **Item 12 – Brokerage Practices**

In the event that the client requests that The Rikoon Group recommend a custodian for the non-publicly traded assets or Unaffiliated Private Investments execution and/or custodial services, The Rikoon Group generally recommends that the accounts be maintained at Millennium Trust. Prior to engaging The Rikoon Group to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement with The Rikoon Group setting forth the terms and conditions under which The Rikoon Group shall advise on the client's non-publicly traded assets or Unaffiliated Private Investments.

Factors that The Rikoon Group considers in recommending Millennium Trust (or any other custodian to clients) include historical relationship with The Rikoon Group, financial strength, reputation, execution capabilities, pricing, research, and service. Although the transaction fees paid by The Rikoon Group's clients shall comply with The Rikoon Group's duty to obtain best execution, a client could pay a transaction fee that is higher than another qualified custodian might charge to affect the same transaction where The Rikoon Group determines, in good faith, that the transaction fee is reasonable. Accordingly, although The Rikoon Group will seek competitive rates, it may not necessarily obtain the lowest possible rates for client account transactions. Transaction fees charged by the designated custodian are exclusive of, and in addition to, The Rikoon Group's investment advisory fee.

**Directed Brokerage.** The Rikoon Group recommends that its clients utilize the custodial services provided by Millennium Trust for non-publicly traded assets or Unaffiliated Private Investments.

#### **Item 13 – Review of Accounts**

**Investment Supervisory Services** involve ongoing monitoring of clients' managed portfolios. Internal reviews are conducted by Advisory Representatives and occur no less than quarterly. Reviews may occur more frequently depending upon individual circumstances and the nature and/or complexity of the portfolio. Internal reviews may also occur as a result of market conditions, at the time of significant deposits or withdrawals, or as otherwise determined by the Advisor. The Advisor requests that clients keep in regular contact with the Advisor and meet with the Advisor (in person or telephonically) at least annually to ensure the investment plan/strategies continue to be aligned with the clients' stated individual needs, goals, objectives, time horizon and risk tolerance. Clients are obligated to *promptly* inform the Advisor of any change in the client's financial condition or circumstances in order to provide the Advisor with an opportunity to consider the current information and if any changes in the investment strategy/plan are appropriate.

All client investment accounts are reviewed by Kyle Burns, President, or the designated advisor associated with an account.

Clients can expect to receive transaction confirmations as they occur and monthly or quarterly account statements from the broker-dealer, bank or other qualified custodian where the assets are held. The client may elect to receive transaction confirmations and statements from the broker-dealer, bank or other qualified custodian electronically, otherwise they will be mailed. Clients may access portfolio information at any time via the

custodian's website. Additionally, The Rikoon Group prepares and mails quarterly portfolio statements. Other reports are available upon request.

**Financial Consulting Services** are generally provided on an hourly or project base, therefore they are not ongoing in nature and terminate upon the delivery of services. These services do not provide for reviews or follow-up services unless specifically outlined in the Client Agreement or the client engages the Adviser for Investment Supervisory Services in conjunction with, or following services. Where reviews are not provided as part of the engagement, it is the client's obligation to secure additional or follow-up services with the Advisor at the client's discretion.

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

The Rikoon Group no longer provides compensation for client referrals.

#### **Item 15 – Custody**

The Rikoon Group shall have the ability to deduct its advisory fee from the client's linked custodial account. Clients are provided with written transaction confirmation notices, and a written summary account statement directly from the custodian (i.e., Schwab, TD Ameritrade, etc.) at least quarterly. **Please Note:** To the extent that The Rikoon Group provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by The Rikoon Group with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of The Rikoon Group's advisory fee calculation.

**ANY QUESTIONS: The Rikoon Group's Chief Compliance Officer, Kyle Burns, remains available to address any questions that a client or prospective client may have regarding custody-related issues.**

#### **Item 16 – Investment Discretion**

The Rikoon Group no longer invests client funds on a discretionary basis. All investments in non-publicly traded assets and Unaffiliated Private Investments are done on a non-discretionary basis.

**ANY QUESTIONS: The Rikoon Group's Chief Compliance Officer, Kyle Burns, remains available to address any questions regarding this Part 2A.**

#### **Item 17 – Voting Client Securities**

As a matter of firm policy and practice, The Rikoon Group does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. The client will receive proxies or other solicitations directly from the custodian or transfer agent. Clients are welcome to contact The Rikoon Group with any questions regarding particular solicitations.

#### **Item 18 – Financial Information**

The Rikoon Group has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding. Under no circumstances do we

require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

**ANY QUESTIONS: The Rikoon Group's Chief Compliance Officer, Kyle Burns, remains available to address any questions regarding this Part 2A.**