



ALLEN CAPITAL MANAGEMENT, LLC

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This Brochure provides information about the qualifications and business practices of ALLEN CAPITAL MANAGEMENT. If you have any questions about the contents of this Brochure, please contact us at 503 292-1041 or [www.allencapital.com](http://www.allencapital.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.

ALLEN CAPITAL MANAGEMENT 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 ALLEN CAPITAL MANAGEMENT also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Change**

In 2023 Allen Trust Company acquired Allen Capital Management. We expect no significant if any changes to the operations of Allen Capital Management to occur.

Also, in 2023 Charles Schwab acquired and absorbed TD Ameritrade. Subsequently, all accounts that were custodied with TD Ameritrade were transferred to Charles Schwab.

Pursuant to SEC Rules, we will continue to ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will continue to provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting **Stuart B. Allen, President** at 503 292-1041 or [stuart@allentrust.com](mailto:stuart@allentrust.com). Our Brochure is also available on our web site [www.allencapital.com](http://www.allencapital.com) also free of charge.

Additional information about **ALLEN CAPITAL MANAGEMENT** is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with **ALLEN CAPITAL MANAGEMENT** who are registered, or are required to be registered, as investment adviser representatives of **ALLEN CAPITAL MANAGEMENT**.

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#### **Item 4 – Advisory Business**

**A.** Allen Capital Management, LLC (ACM), is an Oregon Limited Liability Company, established January 12, 1999. Upon reaching the threshold of twenty-five million under management, was registered as an investment advisory firm with the SEC on July 17, 2006. ACM is privately owned by Allen Trust Company. We are located in Vancouver, Washington.

**B, C** ACM is an independent investment advisory firm. We are a fee-only firm with fees are based on a percentage of assets under management or a fixed fee. We sell no products and collect no commissions or rebates.

Our advisory services include advice on complex financial matters such as:

- preparing for a successful retirement
- tax minimization alternatives
- concentrated stock strategies
- estate administration guidance
- philanthropic guidance

**D** We do not participate in any wrap-fee programs.

**E** We manage approximately \$179.3 million of Client assets, on a discretionary basis and \$0 of Client assets, on a non-discretionary basis. These amounts were calculated as of December 31, 2023.

#### **Item 5 – Fees and Compensation**

**A** We are a fee-only advisory firm, meaning we are compensated only by our clients and do not receive compensation or commissions from any other parties. We believe this method of compensation minimizes conflicts of interest.

For accounts managed under the Investment Advisory Agreement, Clients pay a Fee monthly in arrear, calculated in accordance with fees set-forth in “Schedule A” of the Investment Advisory Agreement (“IAA”) which is entered with each Client when we begin our professional relationship. Fees are deducted from the account within 10 days from the end of the prior month end. The Fee will be equal to the respective percentage per annum below based on the market value of the Account

on the last trading day of the previous month. We reserve the right to amend the fees set forth in Schedule A of the IAA upon 30-days prior written notice to each Client.

STANDARD FEE SCHEDULE

**Schedule A**

<b><u>Assets Under Management</u></b>	<b><u>Maximum Annual Fee</u></b>
Under \$2,000,000	1.00%
\$2,000,001 – \$6,000,000	.75%
More than \$6,000,00	.50%

\*\$250 minimum monthly fee

For purposes of determining value, securities, mutual funds, and other instruments traded on a market for which actual transaction prices are publicly reported shall be valued at the last reported sale price on the principal market in which they are traded.

Our fees for asset management and consulting services may be paid directly to us from the account by the custodian holding a Client's assets upon submission of an invoice to the custodian showing the amount of fees to be deducted. Payment of fees may result in the liquidation of Client's securities if there is insufficient cash in the account. Clients bear the responsibility for verifying the accuracy of fee calculations.

In certain circumstances, our standard fees may be negotiable.

- C** Clients may be required to pay mutual fund fees and charges, brokerage commissions, stock transfer fees. These and other similar charges incurred in connection with transactions for the account will be paid out of the assets in the account and are in addition to the investment management fees paid to us.
- D** The Investment Advisory Agreement may be terminated at any time by either party by written notice to the other party as set in the Investment Advisory Agreement. The market value of the assets will be construed to equal the sum of the values of all assets in the account, adjusted by any margin debit. Fees for partial

months at the commencement of this Agreement will be billed or on a pro-rated basis contingent on the number of days the account was open during the month. Monthly fee adjustments for additional assets received into the account during a month or for partial withdrawals will also be provided on the above pro rata basis. Accounts terminating within the first month will be charged a full month fee.

- E We are a fee-only investment advisory firm paid on a percentage of Client assets managed. We accept no commissions, or other hidden costs often associated with the money management industry.

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

ALLEN CAPITAL MANAGEMENT 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**

ALLEN CAPITAL MANAGEMENT provides portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, charitable institutions, foundations, and endowments.

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

- A We offer advice on investments primarily including (but not limited to) the following:

- Equity securities such as:
  - Exchange-listed securities
  - Securities traded over-the-counter
  - Foreign issuers
- Warrants
- Corporate debt securities (other than commercial paper)
- Certificates of deposit
- Municipal securities
- Investment company securities such as mutual fund shares
- United States government securities
- Options contracts on securities
- Interest in partnerships investing in real estate.

We research and analyze securities using fundamental, technical, and cyclical methods. The main sources of information we rely upon when researching and analyzing securities include financial publications, research materials prepared by others, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

We believe in disciplined and independent investment analysis, diversification, and strategic asset allocation. Strategic asset allocation, rather than market timing, has a greater influence on investment returns over long periods. We allocate your portfolio among various asset classes, such as stocks, bonds, real estate, and cash. We then diversify within the selected asset classes to gain exposure to numerous sectors, market capitalizations, and economies. Strategic asset allocation and diversification are essential to minimizing client vulnerability to market volatility. Overall portfolio behavior is monitored to ensure it remains consistent with your tolerance for risk. Our goal is to construct a portfolio that speaks to *your* needs.

Using independent research, we manage your assets to meet your cash flow and growth objectives, and to dovetail with your tax, retirement, and estate planning alike. Moreover, at your direction, we can develop strategies that avoid investments inconsistent with your social and personal beliefs. Others may use the same formula for all portfolios and use their access to you to sell financial products. Our approach is different. We custom fit your portfolio to you.

- B** We will use our best judgment and good faith efforts in rendering services to our clients. However, we cannot warrant or guarantee any particular level of account performance, or that an account will be profitable over time. Not every investment decision or recommendation made by us will be profitable. Clients assume all market risk involved in the investment of account assets under the Investment Advisory Agreement and understands that investment decisions made for this account are subject to various market, currency, economic, political, and business risks. **Investing in securities involves risk of loss that clients should be prepared to bear.**

The above language does not relieve ACM from any responsibility or liability we may have under state or federal statutes such as the Advisers Act of 1940.

Except as may otherwise be provided by law, we are not liable to Clients for:

- any loss that a client may suffer by reason of any investment decision made or other action taken or omitted in good faith by us with that degree of care, skill, prudence, and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use;
- any loss arising from our adherence to a client's instructions; or
- any act or failure to act by a custodian of a client's account.

It is the responsibility of each Client to give us complete information and to notify us of any changes in financial circumstances or goals.

- C While all investing involves risks of loss, our advisory services generally recommend a broad and diversified use of equities, mutual fund, or funds, fixed income, and private equity which because of our broad allocation, do not involve significant or unusual risks.

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

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of ALLEN CAPITAL MANAGEMENT or the integrity of ALLEN CAPITAL MANAGEMENT's management. ALLEN CAPITAL MANAGEMENT has no information applicable to this Item.

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

##### **OTHER FINANCIAL ACTIVITIES OR AFFILIATIONS**

Stuart B. Allen, Clinton McGarvin, Krystal Lee, and Parker Gallagher are investment professionals with Allen Trust Company. Clients of ACM may also be Clients of Allen Trust Company and vice versa.

#### **Item 11 – Code of Ethics**

ALLEN CAPITAL MANAGEMENT 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, a prohibition of rumor mongering,



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 ALLEN CAPITAL MANAGEMENT must acknowledge the terms of the Code of Ethics annually, or as amended.

ALLEN CAPITAL MANAGEMENT anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which ALLEN CAPITAL MANAGEMENT has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which ALLEN CAPITAL MANAGEMENT, its affiliates and/or clients, directly or indirectly, have a position of interest. ALLEN CAPITAL MANAGEMENT's employees and persons associated with ALLEN CAPITAL MANAGEMENT are required to follow ALLEN CAPITAL MANAGEMENT's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of ALLEN CAPITAL MANAGEMENT and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for ALLEN CAPITAL MANAGEMENT's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of ALLEN CAPITAL MANAGEMENT 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. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of ALLEN CAPITAL MANAGEMENT's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, 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, and to reasonably prevent conflicts of interest between ALLEN CAPITAL MANAGEMENT and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with ALLEN CAPITAL MANAGEMENT'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. ALLEN

**CAPITAL MANAGEMENT** 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, a fractional distribution based upon the number of shares initially intended to be allocated to each client for the order. Any exceptions will be explained on the Order.

**ALLEN CAPITAL MANAGEMENT**'s clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Tara M. Hendison

It is **ALLEN CAPITAL MANAGEMENT**'s policy that the firm will not affect any principal or agency cross securities transactions for client accounts. **ALLEN CAPITAL MANAGEMENT** will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

## **Item 12 – Brokerage Practices**

**A** Although Clients may direct us to use a broker-dealer of their choosing, we generally recommend that clients open brokerage accounts with Schwab Advisor Services, a division of Charles Schwab & Co., Inc., member FINRA/SIPC. In recommending broker-dealers, we seek to obtain “best execution,” meaning that we seek to execute securities transactions for clients so that the total costs or proceeds in each transaction are the most favorable under the circumstances. The factors we consider when evaluating for best execution include:

- Execution capability;

- Commission rate;
- Financial responsibility;
- Responsiveness;
- Custodian capabilities;
- The value of any research services/brokerage services provided; and
- Any other factors that we consider relevant.

However, if a client selects a broker-dealer of their own choosing, we may be unable to seek best execution of your transactions, and your commission costs may be different than those of our recommended broker-dealers. In addition, we may place your transactions after we place transactions for clients using our recommended broker-dealers.

- A.1 As referenced above, we participate in the Schwab Institutional program. Schwab is unaffiliated SEC-registered broker-dealers and FINRA members which offer independent investment advisors services which include custody of securities, trade execution, clearance, and settlement of transactions.

Through our participation in their program, Schwab also provide us with the following products, services, and assistance:

- Products that allow us to download account information place and allocate trades, and submit advisory fees;
- Research, which we may use to service all accounts, including accounts that do not necessarily execute trades with either firm;
- While the client does not pay a fee for these products/services, all Client accounts may not be the direct or exclusive beneficiary of such products/services;
- Receipt of duplicate Client statements and confirmations;
- Research related products and tools;
- Consulting services;

- Access to a trading desk serving adviser participants;
- Access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts);
- The ability to have advisory fees deducted directly from Client accounts;
- Access to an electronic communications network for Client order entry and account information;
- Access to conferences and educational meetings with product sponsors;
- Access to mutual funds with no transaction fees and to certain institutional money managers; and
- Discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors.

Other services made available by Schwab are intended to help us manage and further develop our business and do not depend on the amount of brokerage transactions directed to Schwab. As part of our fiduciary duties to clients, we endeavor at all times to put the interests of its clients first. However, Clients should be aware that our receipt of economic benefits creates a potential conflict of interest and may indirectly influence our choice.

- B** ACM is authorized in its discretion to aggregate purchases and sales and other transactions made for the account with purchases and sales and other transactions in the same or similar securities or instruments for other Clients of ours. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and the account will be deemed to have purchased or sold its proportionate share of the securities or instruments involved at the average price so obtained.

### **Item 13 – Review of Accounts**

- A** ACM regularly reviews the status of all securities in Client accounts. An overall assessment is performed on at least a quarterly basis. All reviews are based on Clients' stated investment objectives.

- B** More frequent reviews may be triggered by a change in Client's investment guidelines; tax considerations; large deposits or withdrawals; large security sales or purchases; loss of confidence in corporate management objectives; or a change in opinion of particular securities or markets.
- C** Clients receive standard account statements from the custodian of their accounts on a monthly basis. Additionally, we provide clients with performance reports on a quarterly basis.

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

ACM no longer participates in any referral program or service and does not make compensation for referrals.

#### **Item 15 – *Custody***

Except for the ability to deduct fees from Client accounts, ACM does not have custody of the assets in the account and shall have no liability to Clients for any loss or other harm to any property in the account, including any harm to any property in the account resulting from the insolvency of the custodian or any acts of the agents or employees of the custodian and whether or not the full amount of such loss is covered by the Securities Investor Protection Corporation ("SIPC") or any other insurance which may be carried by the custodian. Clients understand that SIPC provides only limited protection for the loss of property held by a broker-dealer.

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

Except as otherwise instructed, Clients grant us ongoing and continuous discretionary authority to execute its investment recommendations in accordance with our Investment Policy Statement (or similar document used to establish Client's objectives and suitability), without the Client's prior approval of each specific transaction. Under this authority, Clients allow ACM to purchase and sell securities and instruments in this account, arrange for delivery and payment in connection with the foregoing, and act on behalf of the Client in most matters necessary or incidental to the handling of the account, including monitoring certain assets. Clients will execute instructions regarding our trading authority as required by each custodian.

In some limited circumstances, Clients grant us non-discretionary authority to execute its investment recommendations in accordance with our Investment Policy Statement (or similar document used to establish Client's objectives and suitability) and the directions and preferences provided to us by the Client. Non-discretionary authority requires us to obtain a client's prior approval of each specific transaction prior to executing investment recommendations.

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

Except for accounts where the client has specifically retained proxy voting authority, ALLEN CAPITAL MANAGEMENT has delegated proxy voting to Broadridge through their proxy service called Proxy Edge. Proxies are voted by Proxy Edge, using guidance from Glass Lewis & Co., an independent governance and proxy research firm, unless otherwise instructed by the client, in writing, in a timely manner.

ALLEN CAPITAL MANAGEMENT has loaded default preference for voting proxies with Broadridge. If necessary, the Portfolio Manager may override the default settings. It is a web-based system.

Proxy reports are stored online. Reports may be obtained showing all voting details for specific date ranges.

Clients may obtain a copy of ALLEN CAPITAL MANAGEMENT's complete proxy voting policies and procedures upon request. Clients may also obtain information from ALLEN CAPITAL MANAGEMENT about how proxies were voted on behalf of their account(s).

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

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about ALLEN CAPITAL MANAGEMENT's financial condition. ALLEN CAPITAL MANAGEMENT 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.