

Part 2A of Form ADV: Firm *Brochure*

Item 1 Cover Page

Uniform Application for Investment Advisor Registration

Schaffer & Company Asset Management, Inc.

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Date: March 30, 2024

Disclosures:

****This brochure provides information about the qualifications and business practices of Schaffer & Company Asset Management, Inc. If you have any questions about the contents of this brochure, please contact us at (585) 621-3300 and/or email us at admin@gregoryschaffer.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.****

****Additional information about Schaffer & Company Asset Management, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.****

****Schaffer & Company Asset Management, Inc. is a "Registered Investment Adviser" with the Securities & Exchange Commission and that registration does not imply a certain level of skill or training.****

Date: 03/30/2024

CRD #138463

SEC File Number 801-92168

Item 2 Material Changes

No material changes to report.

Item 3 Table of Contents

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Item 4 Advisory Business

A. Advisory Firm Description and Principal Owner

Schaffer & Company Asset Management, Inc. (hereinafter "SCHAFFER" or the "*firm*") is a Registered Investment Adviser with the Securities and Exchange Commission. Individuals associated with the firm provide SCHAFFER'S advisory services. These individuals are appropriately registered, qualified or authorized to provide advisory services on the firm's behalf and are known as Investment Adviser Representatives (IAR'S).

Schaffer & Company Asset Management, Inc. was established in year 2005 to present.

Gregory Lee Schaffer is an IAR's for the firm who is also the CEO, CIO, President and Director.

The Gregory Lee Schaffer Living Trust dated 12/07/1999 is 100% shareholder of Schaffer & Company Asset Management, Inc.

B. Types of Advisory Services

Schaffer provides fully discretionary and non-discretionary portfolio management on a continuous basis. The investment advice provided by SCHAFFER is variable depending upon the desires, objectives, and other preferences of the client. Such advice may include the origination of investment ideas, investment buy/sell recommendations, and portfolio management, including the potential selection of securities for the account of the client on the basis of the client's needs and objectives.

SCHAFFER offers comprehensive financial planning and general consultation services on an hourly basis at \$270 per hour or on a fixed fee basis. The firm gives the client the flexibility to engage its services on either a one-time basis or ongoing basis. An IAR of the firm first conducts an initial consultation during which pertinent information about the client's current financial status, future goals, and attitude towards risk is collected. Once such information has been reviewed and analyzed, a written financial plan - designed to achieve the Clients' stated financial goals and objectives - will be produced and presented to the Client.

In general, the financial plan will address the following areas:

PERSONAL: Family records, budgeting, personal liability, estate information, and financial goals.

TAX & CASH FLOW: Income tax and spending analysis and planning for past, current and future years. SCHAFFER will illustrate the impact of various investments on a client's current income tax and future tax liability.

DEATH & DISABILITY: Cash needs at death, income needs of surviving dependents, estate planning and disability income analysis.

RETIREMENT: Analysis of current strategies and investment plans to help the client achieve his or her retirement goals.

INVESTMENTS: Analysis of investment alternatives and their effect on a client's portfolio.

Financial planning fees will be calculated based upon the extent and complexity of the individual client's personal circumstances. Fees for financial planning services will typically range from \$600 to \$1,500. All fees are agreed upon prior to entering into the financial planning agreement with the client. Financial planning fees are due and payable upon completion of the contracted services. In limited circumstances, SCHAFFER may require a minimum fee.

Financial plans are based on the client's financial situation at the time the plan is presented and are based on financial information disclosed by the client to SCHAFFER. Clients are advised that certain assumptions may be made with respect to interest and inflation rates and use of past trends and performance of the market and economy. Past performance is in no way an indication of future performance. SCHAFFER cannot offer any guarantees or promises that the client's financial goals and objectives will be met. Further, the client must continue to review any plan and update the plan based upon changes in the client's financial situation, goals, or objectives or changes in the economy. As the client's financial situation, goals, objectives, or needs change, client must notify SCHAFFER promptly.

Should a client choose to implement the recommendations contained in the financial plan, SCHAFFER suggests the client work closely with his/her IAR, attorney, accountant, insurance agent, and/or stockbroker. Implementation of the financial plan is entirely at the client's discretion.

In addition to the aforementioned services, SCHAFFER provides advice on non-securities matters. Generally, this in connection with the rendering of estate planning, tax planning, life changes, insurances, and/or annuity advice.

The financial planning agreement may not be modified or amended except in writing and signed by both the SCHAFFER and the Client. SCHAFFER and the Client may terminate the agreement within five days of the date of acceptance with no penalty to the Client. After the five-day period, either party may terminate the agreement, at any time, effective upon the receipt of written notice. SCHAFFER will return to the Client any unused portion of the prepaid financial planning fees.

C. Explanation of Tailoring Advisory Services

Through personal discussions, the IAR will gather information from the Client including current investments (if any), and current financial condition, and obligations. The IAR will then recommend various types of investments to construct a portfolio suited to meet the Client's identified goals, financial needs and investment objectives in light of current economic and market conditions. A portfolio may include Exchange Traded Funds (ETF's) Mutual Fund shares, Variable Annuities, Individual stocks, Stock Options, Warrants, Bonds, CD's, Treasuries or any other investment product deemed suitable for client.

D. Wrap Fee Programs

SCHAFFER do not participate in *wrap fee programs*.

E. Discretionary and Non-Discretionary Assets

SCHAFFER manages client assets discretionary. The amount of client assets SCHAFFER manages on a discretionary basis is \$62,822,948.71 as of December 31, 2023.

SCHAFFER does not currently manage non-discretionary assets.

Item 5 Fees and Compensation

A. Fee Schedule

Portfolio management fees are generally payable monthly in arrears and are based on the following annual fee schedule:

Managed combined accounts under \$50,000, \$85 per month
1.85% per annum on assets under management from \$50,001 to \$100,000
1.75% per annum on assets under management from \$100,001 to \$250,000
1.30% per annum on assets under management from \$250,001 to \$500,000
1.10% per annum on assets under management from \$500,001 to \$1,000,000
1.00% per annum on assets under management from \$1,000,001 to \$4,999,000
0.80% per annum on assets under management over \$5,000,000

Hourly fees for any services outside of portfolio management services (specifically managing of assets, trading and/or monitoring) if under a fee schedule or fixed fee will be billed at \$270 per hour. This may be general consultation, financial planning or parts of financial planning, tax planning, estate, or trust planning, etc.

The foregoing represents the fees the firm generally charges. However, fees are variable based on portfolio construction in certain circumstances and arrangements with any particular client may differ from those described above based on level of service provided. Fees are always established in writing prior to services rendered.

The portfolio management agreement may not be modified or amended except in writing and signed by both SCHAFFER and the Client. SCHAFFER or the Client may terminate the agreement within five days of the date of acceptance without penalty to the Client. After the five-day period, agreement can terminate upon 30 days written notice from the Client; or (2) five business days after mailing by SCHAFFER of notice of termination to the Client; or (3) at such time as otherwise mutually agreed upon in writing by SCHAFFER and the Client.

B. Billing Method

Fees are payable at the end of each month, computed on the value of the account using the last known balance of the account on the last day of the month. The fee is prorated for a partial month based on the number of days in the month.

Fees shall be deducted from clients' account unless client chooses to pay from another source. Fees are shown on month end statements for CHARLES SCHWAB clients as "MGMTFEE TO ADVISOR" in the transaction detail – fees & charges section. Invoices are mailed out at the beginning of the month for pension clients who do not have accounts with CHARLES SCHWAB.

Client will notify SCHAFFER in writing prior to agreement execution. Detailed billing statements are produced and available upon request at any time.

C. Other Types of Fees or Expenses

In addition to portfolio management fees listed above, additional services such as comprehensive financial planning, tax planning, estate planning, 529 plans, general consultation outside of investment advisory services related to portfolio management, etc. shall be billed at \$270 per hour or fixed fees.

D. Advance Payments

SCHAFFER does not normally accept advance payments but will refund for portion of fees paid in advance as agreed between SCHAFFER and the client(s) upon termination of agreement.

E. Compensation

The fee charged is calculated as described above and is not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory Client (SEC Rule 205(a)(1)).

1. SCHAFFER does not participate in compensation to *supervised persons* for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.
2. SCHAFFER has not entered into agreements with various third-party investment advisers. Schaffer directly provides investment supervisory services on all assets.
3. Principals and associated persons of SCHAFFER will sell insurance products and will receive compensation on the sale of such products from the insurance companies directly.
4. While SCHAFFER endeavors at all times to put the interest of the Clients first as part of SCHAFFER'S fiduciary duty, Clients should be aware that the receipt of additional compensation itself creates a potential conflict of interest.

Although SCHAFFER believes its advisory fees are competitive, lower fees for comparable services may be obtained from other sources.

Depending on certain circumstances, SCHAFFER may require a minimum fee for financial planning clients. This will be discussed and agreed upon prior to entering into a contract with any client.

The foregoing represents the fees the firm generally charges. However, fees are negotiable in certain circumstances and arrangements with any particular client may differ from those described above based on level of service provided.

The portfolio management agreement may not be modified or amended except in writing and signed by both SCHAFFER and the Client. SCHAFFER or the Client may terminate the agreement within five days of the date of acceptance without penalty to the Client. After the

five-day period, agreement can terminate upon 30 days written notice from the Client; or (2) five business days after mailing by SCHAFFER of notice of termination to the Client; or (3) at such time as otherwise mutually agreed upon in writing by SCHAFFER and the Client.

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

With SCHAFFER'S discretionary authority to select the broker dealer to use and the commission rates to be paid for client transactions, SCHAFFER will endeavor to select those brokers or dealers that will provide the best services at the lowest commission rates possible. The reasonableness of commissions is based on several factors, including the broker's ability to provide professional services, competitive commission rates, volume discounts, execution price negotiations, research and other services which will help SCHAFFER in providing investment management services to clients. SCHAFFER may, therefore, use a broker who provides useful research and securities transaction services even though a lower commission may be charged by a broker who offers no research services and minimal securities transaction assistance. Research services may be useful in servicing all our clients, and not all of such research may be useful for the account for which the particular transaction was affected.

SCHAFFER will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block. Block trading allows SCHAFFER to execute equity trades in a timelier, equitable manner. Block trades may or may not be allocated to every client due to variation of each clients' risk tolerance, investment objective and other factors.

SCHAFFER reserves the right to decline to enter into an advisory agreement with a client who directs the use of a particular broker dealer, if SCHAFFER believes that the use of that broker dealer would inhibit SCHAFFER'S ability to provide advisory services to the client.

SCHAFFER participates in the SCHWAB INSTITUTIONAL program. SCHWAB INSTITUTIONAL is a division of CHARLES SCHWAB & CO., Inc. ("CHARLES SCHWAB") member FINRA/ SIPC/NFA. CHARLES SCHWAB is an independent and unaffiliated SEC-registered broker-dealer. CHARLES SCHWAB offers to independently registered investment advisers services which include custody of securities, trade execution, and clearance and settlement of transactions.

SCHAFFER does not have a conflict of interest in recommending to its clients that their assets be held in custody with CHARLES SCHWAB as SCHAFFER receives no additional compensation for placing transactions for client accounts with CHARLES SCHWAB.

The principal executive officers and associated persons of SCHAFFER, as insurance agents or brokers of various insurance companies, are able to purchase investment products (insurance) for any client. These individuals will receive separate, yet customary compensation for effecting any insurance transactions. Clients are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

SCHAFFER or individuals associated with SCHAFFER may buy or sell securities identical to those recommended to customers for their personal accounts. In addition, any related

person(s) may have an interest or position in a certain security that may also be recommended to a Client.

It is the expressed policy of SCHAFFER that no person employed by SCHAFFER may purchase or sell any security prior to a transaction being implemented for an advisory account.

As these situations represent a conflict of interest, SCHAFFER has established the following restrictions in order to ensure its fiduciary responsibilities:

1. A director, officer, member or employee of SCHAFFER shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No person of SCHAFFER shall prefer his or her own interest to that of the advisory Client.
2. All Clients are fully informed that SCHAFFER IAR'S may receive separate compensation when effecting transactions during the financial planning implementation process.
3. SCHAFFER emphasizes the unrestricted right of the Client to select and choose any broker or dealer and/or insurance company he/she wishes. Clients should understand that advisory by SCHAFFER would require the Client selecting and using SCHAFFER and the registered representative of SCHAFFER to qualify for participation in the advisory service or program.
4. SCHAFFER requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
5. Any individual not in observance of the above may be subject to remedial sanctions, including termination of employment and association with SCHAFFER.

Pursuant to FINRA Rule 4210(f)(9), all net gains from trade corrections are prohibited in Advisor Error Accounts. Effective April 1, 2014, all gains will automatically move to a designated Error Account by CHARLES SCHWAB on daily basis. CHARLES SCHWAB will subsequently donate these funds to the American Red Cross or to the 501(c)(3) charity of SCHAFFER's choice.

Item 7 Types of Clients

SCHAFFER provides investment advice to individuals, trusts, estates, charitable organizations, pensions and profit-sharing plans, corporations and business entities.

Depending on certain circumstances, SCHAFFER may require a minimum fee for financial planning clients. This will be discussed and agreed upon prior to entering into a contract with any client.

Should a client choose to implement the recommendations contained in the financial plan, SCHAFFER suggests the client work closely with his/her IAR, attorney, accountant, insurance agent, and/or stockbroker. Implementation of the financial plan is entirely at the client's discretion.

The financial planning agreement may not be modified or amended except in writing and signed

by both the SCHAFFER and the Client. SCHAFFER and the Client may terminate the agreement within five days of the date of acceptance with no penalty to the Client. After the five-day period, agreement can terminate upon 30 days written notice from the Client; or (2) five business days after mailing by SCHAFFER of notice of termination to the Client; or (3) at such time as otherwise mutually agreed upon in writing by SCHAFFER and the Client. SCHAFFER will return to the Client any unused portion of the prepaid financial planning fees.

In addition to the aforementioned services, SCHAFFER provides advice on non-securities matters. Generally, this in connection with the rendering of estate planning, insurance, and/or annuity advice.

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

- A. SCHAFFER employs "Top Down" approach which focuses first on the outlook for the overall economy on a short, intermediate and long-term basis. SCHAFFER looks at the "Big Picture" in the economy and financial world and then breaks those components down into finer details. After looking at the big picture conditions around the world, the different industrial sectors are analyzed in order to select those that are forecasted to outperform the market.

From this point individual investments that are suspected to be superior are further analyzed And ultimately chosen in accordance with clients' investment objectives and goals.

Clients should be prepared that investment results cannot be guaranteed and past results cannot determine future outcome. Investing in securities involves risk of loss.

SCHAFFER will aggregate trades for itself and/or for its associated persons with client trades, providing that the following conditions are met:

SCHAFFER'S policies for the aggregation of transactions shall be fully disclosed in this Form ADV and separately to SCHAFFER'S existing clients and the broker-dealer(s) through which such transactions will be placed.

SCHAFFER will not aggregate transactions unless it believes that aggregation is consistent with its duty to seek best execution (which includes the duty to seek best price) for its clients and is consistent with the terms of SCHAFFER'S investment advisory agreement with each client for which trades are being aggregated.

No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all SCHAFFER'S transactions in a given security on a given business day, with transaction costs shared pro-rata based on each client's participation in the transaction;

SCHAFFER will allocate an aggregated order in an Allocation Statement (list of clients and their respective share of the aggregated order) based on client objectives, monies available for trading and special circumstances determined prior to selling out that allocation.

If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the Allocation Statement, if the order is partially filled, it will be allocated pro-rata based on the Allocation Statement.

Date: 03/30/2024

CRD #138463

SEC File Number 801-92168

Notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the Allocation Statement if all client accounts receive fair and equitable treatment and the reason for different allocation is explained in writing and is approved by SCHAFFER'S compliance officer no later than one hour after the opening of the markets on the trading day following the day the order was executed.

SCHAFFER'S books and records will separately reflect, for each client account, the order of which are aggregated, the securities held by, and bought and sold for that account.

Funds and securities of clients whose orders are aggregated will be deposited with one or more banks or broker-dealers, and neither the clients' cash nor their securities will be held collectively and longer than is necessary to settle the purchase or sale in question on a delivery versus payment basis; cash or securities held collectively for clients will be delivered out to the custodian bank or broker-dealer as soon as practicable following the statement.

SCHAFFER will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation; and individual advice and treatment will be accorded to each advisory client.

- B. Securities and other types of investments all bear different types and degrees of risks. Those risks are typically discussed with Clients in defining the investment policies and objectives that will guide investment decisions for their accounts. Upon request, as part of our advisory services, SCHAFFER IAR'S can discuss those investments and investment strategies that they believe may tend to reduce these risks for a particular Client's circumstance.

Clients must realize that obtaining higher rates of return on investments entails accepting levels of risk. Based upon discussions with clients, SCHAFFER IAR'S attempt to identify balance of risks and rewards that are appropriate and comfortable for the Client. It is still the Client's responsibility to ask questions if he or she does not fully understand the risks Associated with any investment. Clients are strongly encouraged to read prospectuses Applicable, and ask questions prior to investing.

When appropriate, to the needs of the client, SCHAFFER may recommend the use of short sales, margin transactions, option writing or other forms of options. Because these investment strategies involve certain degrees of risk, they will only be recommended when consistent with the client's investment experience and stated risk tolerance.

- C. SCHAFFER IAR'S strive to render their best judgment for Clients. Still, Clients cannot be assured those investments will be profitable or that no losses will occur. Past performance is an important consideration with respect to any investment or investment adviser, but it is not necessarily an accurate predictor of current or future performance or trends.

SCHAFFER does not represent, warranty or imply that the services or methods of analysis used by the firm can or will predict future results, successfully identify market tops or bottoms, or insulate Clients from losses due to market corrections or crashes.

Item 9 Disciplinary Information

SCHAFFER does not have past or pending disciplinary events material to a *client's* or prospective *client's* evaluation of its advisory business such as criminal or civil action of a management person, administrative proceeding before the Securities and Exchange Commission or a *self-regulatory organization*.

Item 10 Other Financial Industry Activities and Affiliations

- A. Gregory L. Schaffer of SCHAFFER was formerly affiliated with Northeast Securities, Inc. as a General Securities Registered Representative.
- B. SCHAFFER does not have anyone currently registered, or have an application pending to Register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.
- C. Gregory L. Schaffer is the CEO and President of Beacon of Light Financial Services, Inc. d/b/a Schaffer & Company Financial Services and Schaffer Accounting & Tax Services, an accounting firm and may recommend advisory to clients these services and will receive separate fees disclosed for accounting services provided. The principal executive officers and associated persons of SCHAFFER are agents and/or brokers of various insurance companies as well.

Gregory L. Schaffer is the CEO and President of The Gregory L. Schaffer Insurance Agency, Inc., an insurance agency that may be recommended to advisory clients. If an advisory client implements recommendations made by IAR'S in their capacities as insurance agents and/or brokers, IAR will receive additional compensation.

Gregory L. Schaffer is the CEO and President of Beacon of Light Wealth Preservation, Inc. which provides professional trustee and executor services; advisory clients may be recommended these services at an additional separate charge from advisory fees.

Gregory L. Schaffer is the CEO and President of Beacon of Light of Light Financial Services, Inc. d/b/a Beacon of Light Realty USA which provides full real estate services. Advisory clients may be recommended these services at an additional separate charge from advisory fees.

All services outside of the advisory agreement will be at competitive fees within industry standards for services provided with comparable professional credentials, discounts may be given and are not to be associated with giving discounts in lieu of performance for advisory services or rebating of fees.

- D. SCHAFFER has not entered into agreements with various third-party investment advisers. SCHAFFER directly provides investment supervisory services on all assets.

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

A. Code of Ethics

SCHAFFER honors your relationship with us and we respect the confidentiality and security of

your private personal and financial information. The following is a summary of our Privacy Policy, which is in place to protect your information while we serve your investment needs.

Non-public information about you may be disclosed in order to process transactions in your accounts with broker-dealers or custodians, to respond to inquiries from you, or to fulfill legal and regulatory requirements. We do not make any disclosures of information to other companies who may want to sell their products or services to you.

Our employees are instructed to protect the confidentiality of information and are required to comply without established policies.

SCHAFFER'S commitment to protecting your privacy has always been our policy. We will continue to safeguard your privacy and the confidentiality of the information you provide to us.

In addition, SCHAFFER has adopted a Code of Ethics pursuant to Rule 204A-1 under the Investment Advisers Act of 1940. This Code reflects SCHAFFER'S high standards for the conduct of its business and for the proper performance of its duties with regard to its clients.

A copy of this Code of Ethics is available to all or prospective clients upon request.

B. Participation or Interest in *Client* Transactions

The principal executive officers and associated persons of SCHAFFER, as insurance agents or brokers of various insurance companies, are able to purchase investment products (insurance) for any client. These individuals will receive separate, yet customary compensation for effecting any insurance transactions. Clients are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

SCHAFFER or individuals associated with SCHAFFER may buy or sell securities identical to those recommended to customers for their personal accounts. In addition, any related person(s) may have an interest or position in a certain security that may also be recommended to a Client.

C & D. Personal Trading

It is the expressed policy of SCHAFFER that no person employed by SCHAFFER may purchase or sell any security prior to a transaction being implemented for an advisory account.

As these situations represent a conflict of interest, SCHAFFER has established the following restrictions in order to ensure its fiduciary responsibilities:

1. A director, officer, member or employee of SCHAFFER shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No person of SCHAFFER shall prefer his or her own interest to that of the advisory Client.
2. All Clients are fully informed that SCHAFFER IAR'S may receive separate compensation when effecting transactions during the financial planning implementation process.
3. SCHAFFER emphasizes the unrestricted right of the Client to select and choose any broker or dealer and/or insurance company he/she wishes. Clients should understand that advisory services provided by SCHAFFER would require the Client selecting and using SCHAFFER and the registered representative of SCHAFFER to qualify for participation in the advisory service or program.
4. SCHAFFER requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
5. Any individual not in observance of the above may be subject to remedial sanctions, including termination of employment and association with SCHAFFER.

Item 12 Brokerage Practices

The custodian and brokers we use

SCHAFFER does not maintain custody of your assets that we manage on which we advise,

although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see Item 15—Custody, below). Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. We recommend that our clients use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, as the qualified custodian.

We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. Conflicts of interest associated with this arrangement are described below as well as in Item 14 (Client referrals and other compensation). You should consider these conflicts of interest when selecting your custodian. We do not open the account for you, although we may assist you in doing so. If you do not wish to place your assets with Schwab, then we cannot manage your Account as efficient in our opinion as we use block trading for consistent fair pricing of securities. Even though your account is maintained at Schwab, and we anticipate that most trades will be executed through Schwab, we can still use other brokers to execute trades for your account as described below (see “Your brokerage and custody costs”).

How we select brokers/custodians

We use Schwab, a custodian/broker, to hold your assets and execute transactions. When considering whether the terms that Schwab provides are, overall, most advantageous to you when compared with other available providers and their services, we consider a wide range of factors, including:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, security and stability
- Prior service to us and our clients
- Services delivered or paid for by Schwab

- Availability of other products and services that benefit us, as discussed below (see “Products and services available to us from Schwab”)

Your brokerage and custody costs

For our clients' accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Certain trades (for example, mutual funds and ETFs) do not incur Schwab commissions or transaction fees. Schwab is also compensated by earning interest on the uninvested cash in your account in Schwab's Cash Features Program. [For some accounts, Schwab charges you a percentage of the dollar amount of assets in the account in lieu of commissions.] [Schwab's commission rates [and] asset-based fees] applicable to our client accounts were negotiated based on the condition that our clients collectively maintain a total of at least \$ of their assets in accounts at Schwab.] This commitment benefits you because the overall [commission rates [and] asset-based fees] you pay are lower than they would be otherwise. In addition to [commissions [and] asset-based fees], Schwab charges you a flat dollar amount as a “prime broker” or “trade away” fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, to minimize your trading costs, we have Schwab execute most trades for your account. We are not required to select the broker or dealer that charges the lowest transaction cost, even if that broker provides execution quality comparable to other brokers or dealers. Although we are not required to execute all trades through Schwab, we have determined that having Schwab execute most trades is consistent with our duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see “How we select brokers/custodians”). By using another broker or dealer you may pay lower transaction costs.

Products and services available to us from Schwab

Schwab Advisor Services™ is Schwab's business serving independent investment advisory firms like us. They provide our clients and us with access to their institutional brokerage services (trading, custody, reporting and related services), many of which are not typically available to Schwab retail customers. However, certain retail investors may be able to get institutional brokerage services from Schwab without going through us. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business.

Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. Following is a more detailed description of Schwab's support services:

Services that benefit you.

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

Services that do not directly benefit you.

Schwab also makes available to us other products and services that benefit us but do not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts and operating our firm. They include investment research, both Schwab's own and that of third parties. We use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements)
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- provide pricing and other market data
- facilitate payment of our fees from our clients' accounts
- assist with back-office functions, recordkeeping, and client reporting

Services that generally benefit only us.

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology and business needs
- Consulting on legal and compliance related needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers
- Marketing consulting and support Schwab provides some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab also discounts or waives its fees for some of these services or pays all or a part of a third party's fees. [Schwab also provides us with other benefits, such as occasional business entertainment of our personnel.] If you did not maintain your account with Schwab, we would be required to pay for those services from our own resources.

SCHAFFER may or may not use some or all of these services and it is our opinion that these services have no material conflict with our fiduciary duty to our clients as they are minor in dollar amount. If SCHAFFER feels there is a conflict we will take steps to mitigate this.

Our interest in Schwab's services

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services. Schwab has also agreed to pay

for certain technology, research, marketing, and compliance consulting products and services on our behalf [once the value of our clients' assets in accounts at Schwab reaches certain thresholds]. [These services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody.] The fact that we receive these benefits from Schwab is an incentive for us to recommend the use of Schwab rather than making such a decision based exclusively on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest. [In some cases, the services that Schwab pays for are provided by affiliate of ours or by another party that has some pecuniary, financial or other interests in us (or in which we have such an interest). This creates an additional conflict of interest.] We believe, however, that taken in the aggregate our selection of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How we select brokers/ custodians") and not Schwab's services that benefit only us.

Any limitations on this discretionary authority shall be included in the written authority statement. Clients may amend these limitations as required. Such amendments must be submitted in writing.

1. Brokerage for Client Referrals (a & b)

SCHAFFER does not have relationship for client referrals with broker or dealer at the present time.

2. Directed Brokerage (a & b)

SCHAFFER does not participate in directed brokerage relationship.

- A. See Item 8 of this document for conditions when SCHAFFER will aggregate the purchase or sale of securities for client accounts.

Chicago Clearing Corporation

Please note that SCHAFFER utilizes the firm Chicago Clearing Corporation as a benefit to you regarding securities litigations. Chicago Clearing Corporation will file claims to collect on settlements for litigations and then disburse any monies collected to eligible recipients based on their percentage of share ownership.

Item 13 Review of Accounts

- A. Portfolio Management: For investment supervisory services clients, SCHAFFER will review the underlying positions continuously. Each client account is reviewed based on investment objectives and other factors. Accounts are subject to more frequent reviews triggered by significant changes in variables such as the market, political or economic climate, or changes in a client's individual circumstances.
- B. Review includes portfolio structure, asset allocation and stock selection and considers the clients' stated investment objectives. Financial Planning: No formal reviews will be conducted for SCHAFFER financial planning clients. All client accounts are reviewed by an officer of SCHAFFER.

- C. Portfolio Management: For investment supervisory services clients, SCHAFFER will provide monthly reports consisting of brokerage and custodial statements. Clients that engage SCHAFFER for pension investment supervisory services will receive statement direct from custodian either monthly or quarterly based on custodians policies. Performance valuations and reviews are provided at client request.

Financial Planning: Reports for SCHAFFER financial planning clients will be contracted for at the inception or during the advisory relationship.

Item 14 Client Referrals and Other Compensation

- A. While SCHAFFER endeavors at all times to put the interest of the Clients first as part of SCHAFFER'S fiduciary duty, Clients should be aware that the receipt of additional compensation itself creates a potential conflict of interest.
- B. Principals and associated persons of SCHAFFER will sell insurance products through The Gregory L. Schaffer Insurance Agency, Inc. and will receive compensation on the sale of such products as this is the only method of compensation available from insurance companies.
- C. We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. In addition, Schwab has also agreed to pay for certain products and services for which we would otherwise have to pay once the value of our clients' assets in accounts at Schwab reaches a certain size. [In some cases, a recipient of such payments is an affiliate of ours or another party which has some pecuniary, financial or other interests in us (or in which we have such an interest).] You do not pay more for assets maintained at Schwab as a result of these arrangements. However, we benefit from the arrangement because the cost of these services would otherwise be borne directly by us. You should consider these conflicts of interest when selecting a custodian. The products and services provided by Schwab, how they benefit us, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices).

Item 15 Custody

Under government regulations, we are deemed to have custody of your assets if, for example, you authorize us to instruct CHARLES SCHWAB to deduct our advisory fees directly from your account [or if you grant us authority to move your money to another person's account]. CHARLES SCHWAB maintains actual custody of your assets. You will receive account statements directly from CHARLES SCHWAB at least quarterly. They will be sent to the email or postal mailing address you provided to CHARLES SCHWAB. You should carefully review those statements promptly when you receive them. [We also urge you to compare CHARLES SCHWAB account statements with the periodic [account statements/portfolio reports] you will receive from us.]

Its related person, Gregory L Schaffer, Sr. when acting in a trustee capacity under Beacon of Light Wealth Preservation, Inc. does have custody of cash & bank account(s) due to trustee responsibilities. Monthly statements are forwarded to the grantor and/or beneficiary(s) of the trust as they are received from CHARLES SCHWAB for accounting and informational purposes. Please carefully review the statements received.

Item 16 Investment Discretion

SCHAFFER accepts *discretionary authority* to manage securities accounts on behalf of *clients* and *clients* would initial CHARLES SCHWAB Limited Power of Attorney at the time when new account application is signed to provide authorization to execute trades in their accounts.

Item 17 Voting *Client* Securities

A. SCHAFFER does accept authority to vote *clients'* securities. In pursuant to SEC rule 206(4)-6, *clients* may sign CHARLES SCHWAB Authorization to Mail Proxies to Financial Advisor (Agent). CHARLES SCHWAB will forward proxy soliciting materials, annual reports and other

related issuer material, normally sent to *clients*, to SCHAFFER (Agent) and to allow Agent to vote proxies on their behalf.

Agent holds discretionary authority over *clients'* accounts pursuant to an advisory contract with SCHAFFER. *Clients* understand that this authorization may be rescinded at any time for any reason, by a written notice addressed to CHARLES SCHWAB and delivered to SCHAFFER.

Clients have option of receiving informational copies (non-votable).

Clients may obtain a copy of SCHAFFER proxy voting policies and procedures upon request.

B. If SCHAFFER does not have authority to vote client securities, *clients* will receive their proxies or other solicitations directly from CHARLES SCHWAB.

Should *clients* have any questions or concerns, it is recommended that he/she contacts SCHAFFER immediately for clarification before voting on such proxies.

Item 18 Financial Information

A. SCHAFFER does not require or solicit prepayment of more than \$1,200 in fees per *client*, six months or more in advance, therefore no need to disclosed balance sheet information.

B. There are no financial conditions that are reasonably likely to impair SCHAFFER ability to meet contractual commitments to clients.

C. SCHAFFER has never petitioned bankruptcy filing at any time during the past ten years.

Item 19 Requirements for SEC Registered Advisers

A, B, & C. **Education and Business Background**

Gregory Lee Schaffer *Year of Birth:* 1964

Formal Education After High School:

- Kaplan University, New York, NY
- St. John Fisher College, Rochester, NY
- Certified Financial Planner-CFP® ***
- Registered Financial Consultant-RFC® ****
- Registered Tax Return Preparer-Internal Revenue Service AFSP 2020 #P00062977
- NYS Tax Preparer Registration #11039535
- NYS Licensed Real-Estate Broker, REALTOR®

Date: 03/30/2024

CRD #138463

SEC File Number 801-92168

- NYS Licensed Property & Casualty Broker & Agent
- NYS Licensed Life, Accident & Health Agent
- NYS Licensed Variable Life/Annuity Agent
- Notary Public

Business Background for Previous Five Years:

- Schaffer & Company Asset Management, Inc, Rochester, NY
2005 -Present, CEO, CIO, President, Director
- Beacon of Light Financial Services, Inc., Rochester, NY
2010-Present, CEO, President, Director
d/b/a Schaffer & Company Financial Services
d/b/a Schaffer Accounting & Tax Services
d/b/a Schaffer Wealth Preservation & Capital Management
d/b/a Beacon of Light Realty USA
d/b/a Schaffer & Co Exotic Motorcars- NYS Licensed Auto, Boat Dealer & Yacht Broker
- Beacon of Light Wealth Preservation, Inc., Rochester, NY
2019-Present, CEO, President, Director
- Vigilant Patriot Arms Company, Inc. Rochester, NY
2021-Present, President & CEO
- Schaffer Accounting & Tax Services, Rochester, NY
1984-2010, Owner
- Gregory L. Schaffer Realty Company, Rochester, NY
1985-2013, Owner, NYS Licensed Real Estate Broker
- The Gregory L. Schaffer Insurance Agency, Inc., Rochester, NY
1993-Present, CEO, President, Director
NYS Licensed Life, Accident & Health Agent
NYS Licensed Variable Life/Annuity Agent
NYS Licensed Property & Casualty Broker & Agent
- Beacon of Light Mortgage Company, Rochester, NY
1998-2013, Owner
Registered Mortgage Broker-NYS Banking Department
- Schaffer Trust & Capital Management, Rochester, NY
1998-2005, Owner
- Schaffer Wealth Preservation & Capital Management, Rochester, NY
2007-2010, Owner
- Facilities Equipment Sales, Inc., Rochester, NY
1998-2021, CEO, President, Director
2021-Present, Vice President
- The Schaffer Automotive Group, Rochester, NY
1990-2010, Owner, NYS Licensed Auto Dealer, Boat Dealer & Yacht Broker

Gregory L. Schaffer of SCHAFFER spends approximately 85% of their time in financial services capacities, with the balance of 15% spent on other business practices.

*** The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 71,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

**** The Registered Financial Consultant (RFC) is a professional designation awarded by the IARFC to those financial advisors who can meet the high standards of education, experience and integrity that are required of all its members.

D. (1,2) SCHAFFER has never been involved in an award or otherwise being found liable in an arbitration or in a civil claim.

E. SCHAFFER has no relationship or arrangement with any issuer of securities that is not listed in Item 10.C. of Part 2A.