

**FORM ADV: Part 2A**

**ITEM 1: Cover Page**

**O'ROURKE & COMPANY, INCORPORATED**

---

One Liberty Square  
Suite 530  
Boston, MA 02109  
(617) 482-4200

December 24, 2019

This Brochure provides information about the qualifications and business practices of O'Rourke & Company, Incorporated. If you have any questions about the contents of this Brochure, please contact us at 617-482-4200 or send an email to [borourke@ceteraadvisors.com](mailto:borourke@ceteraadvisors.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. O'Rourke & Company, Incorporated is a SEC registered investment adviser. Registration does not imply a certain level of skill or training.

Additional information about O'Rourke & Company, Incorporated also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 Summary of Material Changes**

The purpose of this Item 2 is to disclose material changes that have been made to this Brochure since the last annual update of this Brochure. Since the last annual update of this Brochure on December 14, 2018 the following material changes were made:

- Item 15, Custody, has been updated to disclose that the firm does not take physical custody of client funds or securities and is not subject to a surprise examination; however, the firm may be deemed to have limited custody due its ability to deduct advisory fees and/or affect third-party asset transfers pursuant to standing letters of authorization signed by clients.

We have also revised language throughout this document. Although we do not believe these individual changes are material, we nonetheless urge all clients and potential clients to read this updated brochure in its entirety.

## **Item 3 Table of Contents**

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

## Item 4 Advisory Business

O'Rourke & Company, Incorporated, organized in 1987, ("O'Rourke & Company", "we", or "our") is a SEC registered investment adviser based in Boston, Massachusetts. Brian C. O'Rourke is principal owner, investment adviser representative (IAR) and Chief Compliance Officer of O'Rourke & Company.

O'Rourke & Company, Inc. offers provides comprehensive financial planning services for individuals and continuous and regular supervision to non-discretionary and discretionary investment advisory accounts for individuals, high net worth individuals, retirement plans, trusts, estates, charitable organizations and small businesses. Advice is provided through consultation with our clients. We offer advice in the areas of:

- Establishing financial goals and objectives;
- Cash flow management
- Investment management/asset allocation
- Tax and insurance planning
- Retirement, education and estate planning.

### Types of Advisory Services

#### Investment Advisory

Investment advice is a major component of our client activity and is an ongoing process which generally addresses the following items:

- Meet with you to discuss your goals, investment objectives, time horizon and risk tolerance.
- Prepare an asset allocation for an investment portfolio based on your objectives.
- Identify suitable investments for the portfolio and recommend or invest your funds accordingly.
- Monitor the performance of the portfolio created and rebalance assets as necessary in line with your objectives.

The types of investments we employ in implementing your investment strategy are mutual funds, exchange traded funds, listed securities, and annuities. Clients may request that we not invest in certain securities or types of securities. Client imposed restrictions may affect investment returns either positively or negatively.

#### Financial Planning

The service generally involves a review and assessment of your present financial condition and the preparation of a summary of our recommendations. This report takes into account your goals, objectives, and risk parameters. A financial plan may include any of the following.

- Net worth and cash flow evaluation.
- Investment management.
- Education planning.
- Income tax and insurance planning.
- Retirement planning and projections.
- Estate planning issues.

As of September 30, 2019, we manage approximately \$346,315,321 in client assets on a non-discretionary basis, in approximately 741 accounts. There are no discretionary assets or accounts at this time.

## Item 5 Fees and Compensation

Our fees for providing investment supervisory services are charged as fixed fees or a percentage of assets under management. Clients pay an hourly rate for all other services.

### *Investment Supervisory Services*

The annual fee for services rendered during the first year of the investment advisory contract is determined after a review of the complexity of the client's financial status and financial objectives. The annual fee may be a fixed, preset amount, or the fee may equal a percentage of assets under management, as agreed to by the client in the investment advisory agreement. The annual fee charged as a percentage of assets under management ranges from 0.50% to 1.50% of total assets under management.

Our advisory fees are negotiated at inception and reviewed from time to time as needed. Fees are billed in arrears directly to the client. The client may elect to instruct the custodian to debit fees from the client's account. Clients are billed primarily on a quarterly basis, as elected by the client in the investment advisory agreement, based on the value of the account on the last day of each calendar quarter.

### *Financial Planning Fees*

We provide an initial financial planning review of the client's situation and objectives plus an ongoing review of the client's plan. For this service we charge a flat fee negotiated at inception based on the complexity of the assignment.

### *Other Fees*

Our investment advisory fees are exclusive of all direct expenses incurred for the client or disbursements made on behalf of the client. In addition, the client is responsible for payment to the custodian for commissions, transaction fees and all other fees described in the custodial agreement. Clients may also incur certain charges imposed by other third-parties in connection with their investments, including mutual fund 12b-1 fees, mutual fund management fees and administrative servicing fees, confirmation fees, surcharges, fees charged by sub-account managers, certain deferred sales charges on previously purchased mutual funds, clearing, custody and other transaction charges and service fees, and IRA and Qualified Retirement Plan fees.

Additional third-party fees may also include, but are not limited to, fees associated with the type of transaction (exchange versus purchase), method of placing the transaction (electronic vs. over the phone), and paper confirmation fees.

### *Compensation for the Sale of Securities or Other Investment Products*

Persons providing investment advice on behalf of our firm are registered representatives with Cetera Advisors, LLC, a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. In their capacity as registered representatives, these persons receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products and a share of certain dealer fees or fees paid to Cetera on client transactions or holdings.

Persons providing investment advice to advisory clients on behalf of our firm can select or recommend, and in some instances will select or recommend, mutual fund investments in share classes that pay 12b-1 fees when clients are eligible to purchase share classes of the same funds that do not pay such fees and are less expensive. This practice presents a conflict of interest because, where commission-based compensation is paid, persons providing investment advice on behalf of our firm who are also registered representatives have an

incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. We have a fiduciary obligation to Advisory Clients and have established procedures to ensure that any recommendations made are in the best interest of clients overall. If clients pay 12b-1 fees or we earn 12b-1 fees on client holdings we apply them as a credit toward the advisory fees of clients who pay an asset-based fee. Clients who pay a flat fee plus commissions generally do not receive an offset or credit.

Compensation earned by these persons in their capacities as registered representatives is separate and in addition to our advisory fees. You are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with our firm.

Persons providing investment advice on behalf of our firm are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. You are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

We primarily recommend exchange traded funds ("ETFs"), mutual funds and listed securities. When recommending mutual funds, we will recommend the most appropriate mutual fund share class for your portfolio, based upon your individual circumstances that is reasonably available through the clearing firm. These recommendations may include load or no-load funds. The expenses associated with each recommendation is discussed with the client prior to purchase.

We periodically evaluate the fees you pay us, including any fees charged for planning services, investment supervisory services, special projects, as well as asset-based charges and sales fees earned on your securities transactions. As a result of this evaluation, we generally reduce our advisory fee to offset other revenue generated from the services we have provided to you. Clients who pay a flat fee plus commission generally do not receive an offset or credit.

Clients may terminate the investment advisory agreement by providing us with written notice. Advisory fees will be prorated to the date of termination.

#### *Special Advisory Projects*

Special advisory projects are projects that are not anticipated by the parties as part of the fixed annual fee. These projects will be assessed a non-negotiable hourly fee, which is based on the level of expertise of the individual assigned to the project. Accordingly, our schedule of hourly fees will range from \$75 - \$300 depending upon the scope of services performed. All fees for special advisory projects will be agreed upon by the Client prior to the commencement of services.

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

We do not charge performance-based fees or engage in side-by-side management.

## **Item 7 Types of Clients**

We offer investment advisory services to individuals, high net worth individuals, pension and profit sharing plans, trusts, estates, charitable organization, corporations, and other small business entities.

The company does not require a minimum amount of assets for opening or maintaining an account.

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

### *Methods of Analysis*

We use fundamental analysis, which involves the evaluation and interpretation of companies'/funds financial data, the experience and expertise of the management, and the outlook of the industry/fund category to assist in evaluating the true value of the companies' securities. Fundamental analysis carries with it the risk that publicly available company information may be inaccurate, and if the securities price adjusts quickly to market information, the value of the portfolio may decrease, and it is for this reason that our investment strategies involve long term and short term purchases.

The main sources of information for security analysis include:

- Research from third party research firms such as Morningstar, and Lipper.
- Public records filed with the U.S. Securities and Exchange Commission.
- Financial publications such as the Wall Street Journal, Barron's, Bloomberg Business Week.
- Company websites, annual reports, and other company specific public records.
- Employees of O'Rourke & Company also participate in conference calls, and industry conferences that provide insight into the research of securities.
- Public information collected from financial websites such as Yahoo! Finance or Google Finance.

### *Investment Strategies*

The foundation of our investment process is based on the principles of asset allocation and diversification. We utilize a top-down approach in determining the asset allocation mix for your portfolio. (This means the asset allocation comes first and the security selection second.) Each portfolio is personalized to meet your investment objectives and risk profile, investment goals, and time horizon, which are determined at the onset of our relationship. Any changes to these objectives or your risk profile should be brought to our attention immediately.

O'Rourke & Company, Inc. currently employs individualized asset allocation models. The models are updated periodically to reflect our outlook over the short to intermediate, and long-term for the economy and markets. Typically six asset classes are utilized, they include domestic stocks, foreign stocks, fixed income, REITs (real estate investment trusts), alternatives (commodities, low-volatility strategies), and cash. The outlook for each asset class will determine its weighting within each model.

Your portfolio may be allocated among a number of sub-asset classes including but not limited to Large Cap, Small Cap, International Equities, U.S. Treasuries, Agencies, Corporate Bonds, Municipal Bonds, High Yield Bonds, as well as alternative investments. Most often, these allocations are invested utilizing vehicles such as mutual funds, exchange traded funds or other comparable investment vehicles. Portfolios of sufficient size may be invested in individual stocks and individual bonds as well.

## *Risk of Loss*

Our clients face risks that are specific to investing and not particular to O'Rourke & Company, Inc. All investing in securities involves risk of loss. Those risks include:

- Interest rate risk: The risk borne by an interest-bearing asset, such as a loan or a bond, due to variability of interest rates. In general, as rates rise, the price of a fixed rate bond will fall, and vice versa.
- Market Risk: The risk that the price of a security may drop in reaction to market events. This type of risk is independent of risks associated with a security's particular underlying circumstances. (See business risk below.)
- Inflation Risk: The risk that a currency loses its purchasing power because of the rising price of goods and services.
- Currency Risk: The risk that arises from the change in price of one currency against another.
- Reinvestment Risk: The risk that a decline in interest rates will lead to lower income when bonds mature and funds are reinvested at a lower rate.
- Business Risk: The risk associated with a particular industry or a particular company within an industry.
- Liquidity Risk: The risk that an investment will not readily be converted into cash.
- Financial Risk: The increase in stockholder's risk, over and above the firm's basic business risk, resulting from the use of financial leverage (borrowing).

Clients also face the risk that securities that we choose for your portfolio may not perform as well as similar securities in the same industry or the stock/bond market in general. Different types of investments involve varying degrees of risk. Past performance is never a guarantee of future results.

## **Item 9 Disciplinary Information**

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

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

Persons providing investment advice on behalf of our firm are registered representatives with Cetera Advisors, LLC ("Cetera"), a FINRA member and unaffiliated broker-dealer. Other industry professionals are also registered representatives of Cetera; however, these individuals are not associated with us. Clients should be aware that Cetera marks up its clearing firm's non-transaction fees including paper delivery surcharge, surcharges for client statements and confirms. The existence and extent of Cetera's fee mark ups may be material to clients when evaluating the recommendation of Cetera for brokerage services.

Individuals who are licensed registered representative may place securities transaction for our clients. Clients are informed that, to the extent licensed registered representatives recommends transactions in ETFs, mutual funds or variable insurance products placed through Cetera, they may receive up to 92% of the commission compensation paid to Cetera. Registered Representatives receive material income via commissions and trailer fees received from variable insurance products and certain mutual funds purchased by our clients. Clients should be aware that these relationships creates a conflict of interest. We place our client's interest first as part of our fiduciary duty, and clients are under no obligation to execute trades through our licensed registered representatives or through Cetera.

Associated Persons of our firm may also be licensed as insurance agents to sell life, disability and long-term care insurance products for various insurance companies, and is therefore able to purchase life, disability and long-term care insurance products for any of our clients in need of such services. Licensed insurance agents will receive separate, customary commission compensation on purchases of life, disability and long-term care insurance products, which are not subject to advisory fees. Clients are under no obligation to purchase life, disability and long-term care insurance products from our insurance agents.

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

We have adopted a Code of Ethics ("Code") in compliance with SEC rule 204A-1. Accordingly, our Code sets forth guidelines for professional standard of conduct for our employees. Our goal is to protect your interest at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with our clients, while at the same time allowing our employees to invest for their own accounts.

Individuals associated with us may act as a broker in effecting securities transactions for compensation for any client. See Item 12 for potential conflict of interest discussion. In addition, we or individuals associated with us may buy or sell for their own personal accounts securities recommended to clients.

In our Code we have established policies and procedures to ensure we comply with our regulatory obligations, including:

1. Placing the client's interest above ours or our employees;
2. Express prohibition for any person associated with us from buying or selling any security prior to the execution of a transaction for a client account;
3. Express prohibition for any employee to buy or sell securities for their personal accounts where the decision is based on information received as a result of employment unless the information is also publicly available;
4. Clients are informed that IARs may receive separate commission compensation when effecting securities transactions on the client's behalf; and
5. Any individual who violates any policies or procedures of the Code may be subject to termination.

Our Code is available to any client or prospective client upon request.

## **Item 12 Brokerage Practices**

We have a fiduciary duty to seek best execution for client transactions. While best execution is difficult to define and challenging to measure, it does not solely mean the achievement of the best price on a given transaction. Rather, it is a collective consideration of factors concerning the trade in question. Such factors include the security being traded, the price of the trade, the speed of the execution, apparent conditions in the market, and the specific needs of the client.

Our primary objectives when placing orders for the purchase and sale of securities for client accounts when clients do not direct brokerage, as described below, is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the broker.

We will generally recommend the execution services of Cetera Advisors which clears through Pershing, LLC or Fidelity Investments which clears through National Financial Services. In recommending execution services, we consider commissions, products, and timeliness of execution, trader expertise and responsiveness, prior services to us and our other clients and availability of other products and services that benefit us and/or our clients. Not all advisers recommend or require directed brokerage. Clients should understand that, in directing brokerage, we may not always be able to achieve the most favorable execution, which may cost clients more money or subject them to less favorable executions.

Our recommendation of Cetera creates a conflict of interest because persons providing investment advice on behalf of our firm are separately licensed with Cetera as a registered representative, and may receive up to 92% of the securities commissions and dealer fees, if any, paid to Cetera. This conflict is disclosed in our Investment Advisory Agreement executed by all clients, and is discussed with clients at the time of engagement.

We evaluate on an annual basis whether our clients are receiving the best available execution on an overall qualitative basis.

Some clients may have a pre-established relationship with a broker and will instruct us to execute all transactions through that broker. In such cases, it should be understood that we may not have authority to negotiate commissions and best execution may not be achieved. When the client directs us to use a broker other than one we recommend, there may be a disparity between the commissions a client pays and those paid by clients who accept our brokerage recommendation.

Persons providing investment advice on behalf of our firm are also licensed and registered as insurance agents to sell life, disability and long-term care products for various insurance companies. Therefore, we are able to purchase insurance products for clients in need of such services and will receive separate, customary commission compensation for the purchase of such products. An advisory fee is not charged for life, disability and long-term care insurance services, and clients are not obligated to obtain such services through our Firm.

We do not receive research or other products or services from broker-dealers in exchange for placing client transactions. Further, we do not receive client referrals from any broker-dealer or third-party in exchange for placing client transactions.

When placing trades in the same security for multiple clients, an investment adviser may "bunch", or aggregate all client orders in that security into one transaction, and then allocate the order based on pre-determined (usually pro-rata) allocation. This ensures no client transaction is favored over another, as all transactions are executed at the same price. We do not engage in this practice. Since we do not participate in order aggregation practices, in the event that we place orders for more than one client in the same security, on the same day, and on the same side of the market, these transactions will be placed individually, and clients should be aware that one client may pay more or less than another client for the same security on the same day.

## **Item 13 Review of Accounts**

### *Client Accounts*

Our President, Mr. O'Rourke, reviews each client account at least quarterly to assess the account's performance in light of the client objectives and risk tolerance. Additional reviews are conducted upon notification of changes in the client's personal investment philosophy, risk tolerance, tax position, income, or desire to modify current asset diversification.

At least annually we send a written report to each client. The report may contain information from the client's federal tax return, personal cash flow statement, a balance sheet of the client's personal assets and liabilities, and an evaluation of any specific recommendations made to the client.

In addition, we send reports from Morningstar and other proprietary sources that consolidate the various custodial statements.

In addition, clients will be provided with written trade confirmations and, monthly or quarterly statements from their designated custodian.

Clients are encouraged to compare any reports provided by us to those received from the qualified custodian and immediately report any unexplained differences to the firm and/or the qualified custodian, as appropriate.

We generally perform ongoing reviews of the client's financial plan throughout the year.

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

As disclosed under the *Fees and Compensation* section in this brochure, persons providing investment advice on behalf of our firm are licensed insurance agents, and are registered representatives with Cetera Advisors, LLC ("Cetera"), a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation.

Persons providing investment advice on behalf of our Firm have received compensation, in the form of a forgivable loan, for maintaining registration with Cetera. This loan is to be forgiven in December 2019 so long as the registrations with Cetera remain in place.

The receipt of forgivable loans presents a conflict of interest in that representatives receiving loans have a financial incentive to maintain a relationship with Cetera and continue recommending Cetera to clients until all loans are forgiven. To the extent O'Rourke or its representatives recommend a client use Cetera for such services, it is because O'Rourke and its representatives believe it is in the client's best interest to do so based on the quality and pricing of the execution and other services provided by Cetera to its affiliates. To further control this conflict, clients are not required to use Cetera and can use another approved brokerage platform.

For more information on the conflicts of interest this presents, and how we address these conflicts, refer to the *Fees and Compensation* section.

We have no arrangements under which we or any of our related persons compensates another person or entity for client referrals.

## **Item 15 Custody**

We do not maintain direct custody of client assets, Client funds and securities are held by a qualified custodian. We are not required to obtain a surprise examination by an independent certified public accountant. However, we are deemed to have custody in the following limited circumstances:

We have authority, granted by clients, to deduct advisory fees from client accounts. We comply with regulations for firms with this type of custody, and clients receive normal and customary custodial account statements from the qualified custodian who hold their assets. Clients should carefully review all custodial account statements.

As part of our comprehensive financial planning services, we may have authority, granted by the client, to log into client accounts for purposes of viewing or rebalancing client assets. Such login privilege provides limited authority only, and does not allow us to take custody of funds. We do not have the ability to disburse funds to third parties or make withdrawals from these accounts.

### **Standing Letter of Authorization**

Our firm, or persons associated with the firm, may effect wire transfers from client accounts to one or more third parties designated, in writing, by the client without obtaining written client consent for each separate, individual transaction, as long as the client has provided us with written authorization to do so. Such written authorization is known as a Standing Letter of Authorization. An adviser with authority to conduct such third party wire transfers has access to the client's assets, and therefore is deemed to have custody of the client's assets in any related accounts.

We rely on SEC guidance for firms with this type of custody, and we do not have to obtain a surprise annual audit, as we otherwise would be required to by reason of having custody, as long as we meet the following criteria:

1. The client provides a written, signed instruction to the qualified custodian that includes the third party's name and address or account number at a custodian;
2. The client authorizes us in writing to direct transfers to the third party either on a specified schedule or from time to time;
3. The client's qualified custodian verifies the client's authorization (e.g., signature review) and provides a transfer of funds notice to client promptly after each transfer;
4. The client can terminate or change the instruction;
5. Our firm has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party;
6. Our firm maintains records showing that the third party is not a related party to us nor located at the same address as us; and
7. The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

We confirm that our firm meets the above criteria.

### **Item 16 Investment Discretion**

We offer investment advisory services on a non-discretionary and discretionary basis. For non-discretionary engagements we obtain client approval prior to effecting transactions for the account. Limited trading authorization is obtained from the client allowing us to execute trades on their behalf.

For discretionary engagements, we obtain authorization from the client to select the identity, amount, and timing of securities to be bought or sold. We are granted discretionary authority through a separate written authorization from the client.

In both circumstances we have the authority to discount the commission rates paid to our Firm for clients' stock, bond, and ETF securities transactions in order to minimize transaction expenses incurred by the client, and have elected to waive such commissions on all stock, bond and ETF transactions. In all cases, trades are executed in a manner consistent with the stated investment objectives for the particular client account.

## **Item 17 Voting Client Securities**

We do not vote, or advise clients on how to vote, proxies for securities held in client accounts. The client maintains the authority and responsibility for voting proxies, as provided in the investment advisory agreement. Clients may contact us if they have questions about a particular solicitation.

## **Item 18 Financial Information**

We do not request that any client pay fees in advance, and have no financial conditions that would impair our ability to meet our contractual obligations to our clients.

We have not been the subject of any bankruptcy petition.