

**Part 2A of Form ADV: *Firm Brochure***

**Ashford Advisors, LLC**

30B Grove Street  
Pittsford, New York 14534

Telephone: 585-697-0362  
Email: PMartin@AshfordAdvisors.com

03/22/2012

This brochure provides information about the qualifications and business practices of Ashford Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 585-697-0362 or PMartin@AshfordAdvisors.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 Ashford Advisors, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 114238. Please note that registration with the SEC does not imply a certain level of skill or training.

## **Item 2      Material Changes**

Ashford Advisors, LLC's most recent update to Part 2 of Form ADV was made in March 2011. Our business activities have not changed materially since the time of that update. This Brochure updates our Assets Under Management as of December 31, 2011.

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

## **Item 4      Advisory Business**

Ashford Advisors, LLC is a SEC-registered investment adviser located in Pittsford, New York. Ashford Advisors, LLC began conducting business in 2001.

Patrick D. Martin is the firm's Principal and owns a controlling interest while Jeremiah A. Thisse (Chief Investment Officer) and Brian S. Roes (Chief Operating Officer) own minority interests.

### **ASHFORD ADVISORY PROGRAM ("AAP")**

Ashford offers advisory services to high net worth individuals (including their trusts, individual retirement accounts and profit sharing plans), charitable organizations and corporations and other entities in which clients have a controlling interest.

The Ashford Advisory Program (hereinafter “AAP”) is a comprehensive investment advisory service which bundles together Ashford's advisory service components for one advisory fee. In situations where a sub-adviser is used for particular services, the sub-adviser will charge a separate and distinct advisory fee from Ashford's. Please refer to the sub-adviser's Form ADV Disclosure Document (or other brochure in lieu of the Form ADV Disclosure Document) for information on the fees and services provided by the sub-adviser (if applicable). All AAP clients have the full range of services available to them. The foundation of the AAP is its broad based, independent, and comprehensive approach to financial management.

#### **1. Financial Planning**

We provide financial planning services. Financial planning is a comprehensive evaluation of a client's current and future financial state using currently known variables to project future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and personal situation of the client.

In general, the financial plan can address any or all of the following areas:

- **PERSONAL:** We review family records, budgets, personal liability, estate plans, risk tolerance and financial goals.
- **TAX & CASH FLOW:** We review a client's income tax situation, spending and planning for past, current and future years and then illustrate the impact of various investments on the client's current and future income tax liability as well as their cash flows.
- **INVESTMENTS:** We analyze investment alternatives and their effect on a client's portfolio.
- **INSURANCE:** We review existing policies to ensure proper coverage for life, health, disability, long-term care, liability and personal property.
- **RETIREMENT:** We analyze current strategies and investment plans to help a client achieve

his or her retirement goals.

- **DEATH & DISABILITY:** We review a client's overall estate plan, cash needs at death, the income needs of surviving dependents and disability income needs.
- **ESTATE:** We assist the client in assessing and developing long-term strategies including, as appropriate, living trusts, wills, potential estate taxes, powers of attorney, asset protection plans, nursing homes, Medicaid and elder law.

## **2. Portfolio Management**

Ashford provides continuous advice to clients regarding the investment of funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment plan and create and manage a portfolio based on that plan. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

Ashford will manage advisory accounts on either a discretionary or non-discretionary basis. Portfolio allocations are guided by the client's stated strategy (i.e. equity-oriented, balanced, fixed income or cash management).

Ashford will create a portfolio consisting of one or more of the following:

- Exchange-listed securities (including options)
- Mutual funds
- Securities traded over-the-counter (including options)
- Foreign securities
- Corporate debt securities
- Commercial paper
- Certificates of deposit
- Municipal securities
- Securities issued by the United States Government

Ashford will allocate the client's assets among these various investments taking into consideration the overall investment objective and management style selected by the client.

Mutual funds and ETFs are selected on the basis of a number of factors including investment objective, performance history, management style and philosophy and fee structure.

Portfolio weighting between equities, bonds, ETFs and mutual funds are determined by each client's individual needs and circumstances. Clients have the opportunity to place reasonable restrictions on the types of investments which are made on their behalf. Clients retain individual ownership of all securities which are, to the extent possible, maintained with independent qualified custodians.

### **3. Money Manager Search and Monitoring**

To better achieve a client's investment objectives, Ashford may perform manager searches of various independent investment advisors on behalf of the client. Based on a client's individual circumstances and needs, Ashford may recommend one or more independent investment advisors, which are appropriate to meet the investment needs of that client.

Factors considered in making this recommendation include account size, risk tolerance, investment objective, performance history, fee structure and the investment style and philosophy of the independent investment advisor. Clients are referred to the independent investment advisor's Form ADV Disclosure Document (or other brochure in lieu of the Form ADV Disclosure Document) for a full description of the services offered. Ashford will not receive any referral compensation from the selected independent investment advisors. If Ashford determines that a particular investment advisor is performing inadequately, or if Ashford determines that a different investment advisor is more suitable for a client's particular needs, then Ashford will suggest the client change investment advisors. Ashford will assist the client in selecting a new investment advisor and then monitor the investment advisor's performance. Any change of investment advisor will be in the sole discretion of the client.

### **4. Hedge Fund, Venture Capital and Private Equity Consulting**

In addition to the aforementioned services offered to advisory clients within AAP, Ashford assists clients in the selection and performance monitoring of certain investments in non publicly traded partnerships and companies generally referred to as hedge, venture capital or private equity funds. Ashford may recommend to a client such investments and investment managers as Ashford determines will best meet the investment objectives of the client. Ashford will review all of the Fund's operative documents, and where appropriate, annual audited financial reports and selected compliance filings. At a client's direction, Ashford will assist in making such investments and retaining selected investment managers. On an ongoing basis, Ashford will review, and maintain current versions of appropriate manager and/or fund records. Ashford will review manager-reported performance, when available, and market and fund commentary sent by the manager from which it will assess their ongoing performance. Ashford will confirm manager reported performance with audited financial statements and individual account balances from K-1s or similarly issued third party statements.

While Ashford will generally assess a manager's reputation, Ashford does not make periodic inquiries of third party custodians or prime brokers regarding the status of trading positions nor fund balances in commingled accounts. Ashford does not perform independent operational due diligence of managers and/or funds. Ashford has no discretionary authority over these managers and/or funds. Clients should refer to the independent investment manager's disclosure document, prospectus and/or offering memorandum for a full description of the services offered and fees charged. Ashford will not receive any referral compensation from the

selected investments and independent investment managers.

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with a client's investment objectives, tolerance for risk, liquidity and suitability.

As of 12/31/2011, we were actively managing \$245,611,179 of clients' assets on a discretionary basis plus \$108,995,827 of clients' assets on a non-discretionary basis. The discretionary assets under management include \$78,749,807 of funds held by trusts of which Patrick D. Martin is Trustee or Co-trustee. The non-discretionary assets under management include \$96,256,411 of funds where Ashford is deemed to have custody.

## **Item 5 Fees and Compensation**

### **AAP Fee**

We bill clients for participation in AAP in one of the ways listed below.

#### **1. Percentage of Assets Under Management / Monitoring**

The annual fee will be charged as a percentage of assets under management / monitoring at a rate of 0.40%.

Ashford generally requires a minimum family relationship of \$10,000,000 for AAP.

Clients will be invoiced in advance at the beginning of each fiscal quarter based upon the value (market value or fair market value in the absence of market value), of a client's account at the beginning of each fiscal quarter. We recommend that clients authorize the payment of our fees from accounts we manage but clients can select other payment methods, as well.

#### **2. Fixed Fee**

For certain clients that primarily utilize Ashford's non-investment management services, Ashford may contract on a fixed fee basis. Fixed fees vary based upon the nature and complexity of each client's circumstances and the services to be provided by Ashford. Ashford will bill fixed fee clients quarterly in advance.

#### **3. Performance-Based Fees**

Ashford may charge a performance fee in lieu of a percentage of assets fee in connection with venture capital and private equity consulting. The performance fee charged for Ashford's venture capital and private equity consulting is determined solely by the performance of each individual investment and/or fund in which the client invests. The performance fee is 10% of the cash and the fair market value of assets distributed to the client by each individual investment and/or fund after the client has received an amount from each investment/fund equal to the client's cumulative cash investment in such investment/fund. In determining the value of assets distributed in-kind, the valuation provided by the fund is used. Each investment/fund is

separately feed and losses in one investment/fund do not offset gains on other investments/funds. Performance fees are billed to the client on a semi-annual basis. The performance fee paid to Ashford is separate and distinct from the fees and expenses charged by the investment funds which are described in each fund's disclosure or offering material, which may include a management fee and a performance fee.

A performance fee relationship may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination, the parties will determine the current fair market value of the investments/funds covered by the performance fee agreement and Ashford will be entitled to receive its performance fee as of the date of termination.

To qualify for this service, a client must have investment assets of at least \$10,000,000 at the inception of the relationship. The performance-based fee may create an incentive for Ashford to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement.

The client must understand the proposed method of compensation and its risks prior to entering into the contract. Accordingly, clients paying performance-based fees are directed to the "Performance-Based Fees" section (Item 6) below for more comprehensive disclosures, including potential conflicts of interest resulting from this type of compensation.

**PERFORMANCE-BASED FEES WILL ONLY BE CHARGED IN ACCORDANCE WITH THE PROVISIONS OF REG. 205-3 OF THE INVESTMENT ADVISERS ACT OF 1940 AND/OR APPLICABLE STATE REGULATIONS. THE FEES WILL NOT BE OFFERED TO ANY CLIENT RESIDING IN A STATE IN WHICH SUCH FEES ARE PROHIBITED.**

#### **4. Carried Interest**

For certain clients, we may take a carried equitable interest in a particular limited liability company ("LLC") in lieu of a performance fee. Under such arrangements, Ashford will not be an expressed or implied manager of the LLC. Rather, Ashford will provide advisory recommendations to the manager(s) of the LLC, who will exercise sole discretion in implementing any Ashford recommendations. Ashford may also enter into an investment management agreement with these LLCs regarding marketable investments. The LLC's assets are feed either under the carried interest formula or the investment management agreement, not both.

Distributions from the LLC shall only be made to the extent that the LLC has cash and/or other property which in the mutual opinion of its manager(s) and Ashford are in excess of the assets needed for the continued operation and maintenance of the LLC, provided that the manager(s) shall use their best efforts to distribute, on or before April 1st of each year, cash equal to at least 45% of the federal taxable income allocated, for federal income tax purposes, to Ashford and each Member of the LLC for the preceding calendar year.

Except as described below, the LLC's manager(s) will make any distributions to the Members of the LLC in accordance with each member's pro rata share at such times and in such amounts as



the manager(s), with the prior consent of Ashford, in their sole discretion, deem appropriate.

With respect to each such LLC, Ashford's equitable interest shall entitle it to receive 10% of the cash and fair market value of the assets distributed by the LLC for each individual investment and/or fund after the other Members of the LLC have been allocated an amount equal to their cash investment in such individual investment and/or fund. Currently, Ashford has a carried interest, as a Member, in four different LLCs. Ashford has established reasonable policies and procedures, designed to ensure that Ashford will not favor any funds, in which Ashford has a carried interest, over other advisory clients. Further, and as a matter of policy and practice, Ashford does not recommend or solicit advisory clients to invest in any private investment vehicles in which Ashford has a carried interest.

Advisory clients that take advantage of this advisory service and compensation arrangement are required to have minimum investment assets in excess of \$10,000,000 at the inception of the service.

***Limited Negotiability of Advisory Fees:*** Although we have established the aforementioned fee schedules, we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs will be considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule will be identified in the contract between Ashford and each client.

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

## **GENERAL INFORMATION**

***Termination of the Advisory Relationship:*** A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. As disclosed above, certain fees are paid in advance of the services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

***Mutual Fund Fees:*** All fees paid to Ashford for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

***Separately Managed Account Fees:*** Clients may be charged various program fees in addition to the advisory fee charged by us. Such fees may include the investment advisory fees of the independent advisers. We do not recommend participation in wrap fee arrangements. We will review with clients any separate program fees that may be charged to them.

***Additional Fees and Expenses:*** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

***Advisory Fees in General:*** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

***Limited Prepayment of Fees:*** Under no circumstances do we require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered.

## **Item 6      Performance-Based Fees**

### **PERFORMANCE-BASED FEES**

As we disclosed in Item 5 of this Brochure, we accept a performance-based fee from some clients in connection with venture capital and private equity investments. Such a performance-based fee is calculated based on the amount of cash and the fair market value of assets distributed to the client in excess of their investment. We offer this alternative method of valuation due to the length of the investment and the limited ability to accurately determine its periodic fair market value. To qualify for a performance-based fee arrangement, a client must have investment assets of at least \$10,000,000 at the inception of the relationship.

Clients should be aware that performance-based fee arrangements may create an incentive for us to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement.

Furthermore, as we also have clients who do not pay performance-based fees, we may have an incentive to favor accounts that do pay such fees because compensation we receive from these clients is more directly tied to the performance of their accounts. We strive to be equitable with all of our clients and we generally offer them the option of asset-based or performance based billing for a particular investment.

## **Item 7      Types of Clients**

Ashford Advisors, LLC provides advisory services to the following types of clients:

- High net worth individuals (including their trusts, individual retirement accounts and profit sharing plans)
- Charitable organizations
- Corporations or other entities in which clients have a controlling interest

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

### **METHODS OF ANALYSIS**

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

***Asset Allocation.*** Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of equities, fixed income, cash and other investments suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of equities, fixed income, cash and other investments will change over time due to price and market movements and, if not corrected, will no longer be appropriate for the client's goals.

***Mutual Fund and/or ETF Analysis.*** For actively managed strategies we look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

For passively managed or indexed strategies we review historic performance to confirm that the mutual fund or ETF is tracking its respective index. We also review the investments' fee structure to make sure that it is comparable to other offerings with a similar strategy or underlying index.

In connection with ETFs we also take into consideration daily trading volumes to help ensure that the investment has sufficient liquidity.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

***Third-Party Money Manager Analysis.*** We examine the experience, expertise, investment philosophies, and past performance of independent third-party investment managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. Where the information is provided by the manager we review underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment. The limited scope of our due diligence is disclosed above in connection with Item No. 4.

A risk of investing with a third-party manager that has been successful in the past is that the manager

may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a third-party manager's portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the manager's daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

***Risks for all forms of analysis.*** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

## ***INVESTMENT STRATEGIES***

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance and time horizons, among other considerations:

***Long-term purchases.*** We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

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

***Short-term Purchases.*** We may purchase securities that we expect to be held for less than one-year for cash management purposes. These investments are typically fixed income in nature. These securities are generally not dollar constant and may lose value.

***Risk of Loss.*** Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

## **Item 9      Disciplinary Information**

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

Our firm and our management personnel have no reportable disciplinary events to disclose.

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

Our firm and our related persons are not engaged in other financial industry activities and have no other industry affiliations.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

Ashford Advisors, LLC and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and record keeping provisions.

Ashford Advisors, LLC's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [PMartin@AshfordAdvisors.com](mailto:PMartin@AshfordAdvisors.com), or by calling us at 585-697-0362.

Ashford Advisors, LLC and individuals associated with our firm are prohibited from engaging in principal transactions.

Ashford Advisors, LLC and individuals associated with our firm are prohibited from engaging in agency cross transactions.

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

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security

prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
4. Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.
5. From time to time we may receive non-public information regarding a publicly traded company. This information is typically received from a client that has an affiliation, such as a director or officer, with the public company. We maintain a list of these securities and restrict the purchase and sale of these securities without the approval our firm's Chief Compliance Officer or his designee.
6. We have established procedures for the maintenance of all required books and records.
7. Clients can decline to implement any advice rendered.
8. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
9. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
10. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
11. Any individual who violates any of the above restrictions may be subject to termination.

## **Item 12      Brokerage Practices**

For the equity portion of the portfolio Ashford requests that clients direct us to place trades through Charles Schwab ("Schwab"). Ashford Advisors, LLC has evaluated Charles Schwab and believes that it will provide our clients with a blend of execution services, commission costs and professionalism that will assist our firm to meet our fiduciary obligations to clients. Clients may direct us to place equity

trades through another broker in which case we separately evaluate the nature and cost of these services.

We reserve the right to decline acceptance of any client account for which the client directs the use of a broker other than Schwab if we believe that this choice would hinder our fiduciary duty to the client and/or our ability to service the account. In directing the use of Schwab (or any other broker dealer), it should be understood that Ashford Advisors, LLC will not have authority to negotiate commissions or to necessarily obtain volume discounts, and best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to the client and those charged to other clients (who may direct the use of another broker).

Clients should note, while Ashford Advisors, LLC has a reasonable belief that Schwab is able to obtain best execution and competitive prices, our firm will not be independently seeking best execution price capability through other brokers. Not all advisers require clients to direct it to use a particular broker-dealer.

For clients in need of brokerage or custodial services, and depending on client circumstances and needs, we may recommend the use of one of several brokers or custodians, provided that such recommendation is consistent with our firm's fiduciary duty to the client. Our clients must evaluate these brokers/custodians before opening an account. The factors we consider when making these recommendations are the broker's/custodian's ability to provide professional services, our experience with the broker/custodian, the broker's/custodian's reputation, the broker's/custodian's quality of execution services and costs of such services, among other factors. Clients are not under any obligation to effect trades through any recommended broker.

As a matter of policy and practice, Ashford Advisors, LLC does not generally block trade equities; we implement client transactions separately for each account. Consequently, certain client trades may be executed before others, at a different price and/or commission rate. Additionally, our clients may not receive volume discounts available to advisers who block client trades.

For the bond portion of advisory client portfolios, Ashford requests discretion in the selection of broker-dealers for executing client bond transactions and will endeavor to select those brokers that will provide the best services at competitive transaction costs. The reasonableness of transaction costs are based on the broker's ability to provide professional services, bond offerings, competitive prices, research and other services which will aid Ashford in providing investment management services to clients.

When possible and advantageous, Ashford may block trade client bond transactions. The blocking of bond trades permits the trading of aggregate blocks of securities for multiple client accounts so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in the block transaction. Block trading allows Ashford to execute bond trades in a more timely, efficient and equitable manner and to seek to obtain best execution to and to reduce overall transaction costs for clients.

Brokers selected by Ashford to execute bond trades may from time to time refer clients to Ashford, which is a potential conflict of interest. Ashford does not solicit or pay for referrals and has received none to date.

***Further Disclosure Regarding Charles Schwab:*** Ashford Advisors, LLC may recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. ("Schwab"), a FINRA registered broker-dealer, member SIPC, to maintain custody of clients' assets and

to effect trades for their accounts. Although we recommend that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. Ashford Advisors, LLC is independently owned and operated and not affiliated with Schwab.

Schwab provides Ashford Advisors, LLC with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Schwab Institutional. These services are generally contingent upon our firm committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For our client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab Institutional also makes available to our firm other products and services that benefit Ashford Advisors, LLC but may not directly benefit our clients' accounts. Many of these products and services may be used to service all or some substantial number of our client accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist us in managing and administering our clients' accounts include software and other technology that:

- i. provide access to client account data (such as trade confirmations and account statements);
- ii. facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- iii. provide research, pricing and other market data;
- iv. facilitate payment of our fees from clients' accounts; and
- v. assist with back-office functions, record keeping and client reporting.

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

- i. compliance, legal and business consulting;
- ii. publications and conferences on practice management and business succession; and
- iii. access to employee benefits providers, human capital consultants and insurance providers.

Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to Ashford Advisors, LLC. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to our



firm. Schwab Institutional may also provide other benefits such as educational events or occasional business entertainment of our personnel. In evaluating whether to recommend or require that clients custody their assets at Schwab, we may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors we consider and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

### **Item 13      Review of Accounts**

*REVIEWS:* All accounts are continually monitored and reviewed at least monthly by Patrick D. Martin, Principal and / or Jeremiah A. Thisse, Chief Investment Officer. Accounts are reviewed in the context of each client's investment objectives and guidelines, if any. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

*REPORTS:* In addition to the monthly statements and confirmations of transactions that clients receive from their custodian, we provide quarterly reports summarizing account performance, balances, holdings and transactions.

The performance of third party investment advisers recommended to manage client portfolios is continually monitored. Furthermore, these accounts are formally reviewed at least quarterly by Patrick D. Martin, Principal and / or Jeremiah A. Thisse, Chief Investment Officer. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

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

It is Ashford Advisors, LLC's policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

It is Ashford Advisors, LLC's policy not to accept or allow any related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

### **Item 15      Custody**

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that we directly debit advisory fees from client accounts. As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other

things. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, we also send account statements directly to our clients on a quarterly basis. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

## **Item 16 Investment Discretion**

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- Determine the security to buy or sell; and/or
- Determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

## **Item 17 Voting Client Securities**

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

## **Item 18 Financial Information**

Ashford Advisors, LLC has no financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

Ashford Advisors, LLC has not been the subject of a bankruptcy petition at any time during the past ten years.

**Part 2B of Form ADV: *Brochure Supplement***

Patrick Daniel Martin  
Brian Scott Roes  
Jeremiah Anthony Thisse

Ashford Advisors, LLC  
30B Grove Street  
Pittsford, New York 14534

03/22/2012

This Brochure Supplement provides information about the individuals listed above and supplements Ashford Advisors, LLC's Firm Brochure. Please contact Patrick D. Martin if you did not receive a copy of Ashford Advisors, LLC's Firm Brochure or if you have any questions about the contents of this Supplement.

## **Item 2 Educational, Background and Business Experience**

**Full Legal Name:** Patrick Daniel Martin

**Born:** 1953

### **Education**

- St. Lawrence University; BA, Government and Economics; 1975
- Rutgers University; JD; 1978

### **Business Experience**

- Nixon Peabody, LLP; Attorney and Partner; from 09/01/1978 to 06/30/2000
- WealthCFO, LLC; Member, Manager, Vice President and Secretary; from 6/30/2000 to 9/30/2001
- Ashford Advisors, LLC; Member, Principal; from 10/1/2001 to Present

## **Item 3 Disciplinary Information**

Patrick Daniel Martin has no reportable disciplinary history.

## **Item 4 Other Business Activities**

### **A. Investment-Related Activities**

1. Patrick Daniel Martin is not engaged in any other investment-related activities.
2. Patrick Daniel Martin does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

### **B. Non Investment-Related Activities**

Patrick Daniel Martin is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his time.

## **Item 5 Additional Compensation**

Patrick Daniel Martin does not receive any economic benefit from a non-advisory client for the provision of advisory services.

**Item 6      Supervision**

**Supervisor:** N/A

**Title:** N/A

**Phone Number:** N/A

Patrick Daniel Martin is the firm's Principal and the Manager of Ashford Advisors, LLC. As such, Mr. Martin has no direct supervisor. Mr. Martin is responsible for following the same policies and procedures as the firm's other employees to ensure that advice provided to clients is accurate.

## **Item 2      Educational, Background and Business Experience**

**Full Legal Name:** Brian Scott Roes

**Born:** 1974

### **Education**

- Mohawk Valley Community College; Associate Degree, Accounting; 1994
- Rochester Institute of Technology; B.S., Accounting; 1997

### **Business Experience**

- Nixon Peabody LLP; Paralegal; from 06/1997 to 06/2000
- WealthCFO LLC; Financial Analyst; from 06/2000 to 09/2001
- Ashford Advisors, LLC; Financial Consultant; from 10/2001 to 12/2009
- Ashford Advisors, LLC; Chief Operating Officer; from 01/2010 to 12/2010
- Ashford Advisors, LLC; Chief Operating Officer / Member; from 01/2011 to Present

## **Item 3      Disciplinary Information**

Brian Scott Roes has no reportable disciplinary history.

## **Item 4      Other Business Activities**

### **A. Investment-Related Activities**

1. Brian Scott Roes is not engaged in any other investment-related activities.
2. Brian Scott Roes does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

### **B. Non Investment-Related Activities**

Brian Scott Roes is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his time.

## **Item 5      Additional Compensation**

Brian Scott Roes does not receive any economic benefit from a non-advisory client for the provision of advisory services.

## **Item 6      Supervision**

**Supervisor:** Patrick D. Martin

**Title:** Principal

**Phone Number:** 585-697-0362

Patrick Daniel Martin, Jeremiah Anthony Thisse and Brian Scott Roes have the primary responsibility for determining each client's circumstances, managing the client's portfolio consistent with the client's objectives and recommending investments in, and reports on the performance of third party managers. Patrick Daniel Martin is the firm's Principal and Chief Compliance Officer. As such he has responsibility for the implementation and monitoring of our investment processes, policies and practices, disclosures and recordkeeping for the firm as well as for directing the advice given to clients. As part of his supervisory role, Mr. Martin has taken the following steps to monitor and review the advice given to clients by Messrs. Thisse and Roes:

- Reviews client correspondence including quarterly reports to confirm that they are consistent with Ashford's internal policies and with the firm's understanding of the client's financial objectives;
- Actively participates with Messrs. Thisse and Roes in client meetings and teleconferences;
- Reviews client meeting materials prepared by Messrs. Thisse and Roes;
- Reviews meeting memorandums and follow up letters following client meetings; and
- Formally reviews Messrs. Thisse and Roes' job performance on a semi-annual basis.

## **Item 2      Educational, Background and Business Experience**

**Full Legal Name:** Jeremiah Anthony Thisse

**Born:** 1979

### **Education**

- St. John Fisher College; B.S., Business Management (Finance Concentration); 2001
- St. John Fisher College; M.B.A., Business Administration; 2004

### **Business Experience**

- WealthCFO LLC; Financial Analyst; from 06/2001 to 09/2001
- Ashford Advisors, LLC; Financial Analyst; from 10/2001 to 12/2009
- Ashford Advisors, LLC; Chief Investment Officer; from 01/2010 to 12/2010
- Ashford Advisors, LLC; Chief Investment Officer / Member; from 01/2011 to Present

## **Item 3      Disciplinary Information**

Jeremiah Anthony Thisse has no reportable disciplinary history.

## **Item 4      Other Business Activities**

### **A. Investment-Related Activities**

1. Jeremiah Anthony Thisse is not engaged in any other investment-related activities.
2. Jeremiah Anthony Thisse does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

### **B. Non Investment-Related Activities**

Jeremiah Anthony Thisse is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his time.

## **Item 5      Additional Compensation**

Jeremiah Anthony Thisse does not receive any economic benefit from a non-advisory client for the provision of advisory services.



## **Item 6      Supervision**

**Supervisor:** Patrick D. Martin

**Title:** Principal

**Phone Number:** 585-697-0362

Patrick Daniel Martin, Jeremiah Anthony Thisse and Brian Scott Roes have the primary responsibility for determining each client's circumstances, managing the client's portfolio consistent with the client's objectives and recommending investments in, and reports on the performance of third party managers. Patrick Daniel Martin is the firm's Principal and Chief Compliance Officer. As such he has responsibility for the implementation and monitoring of our investment processes, policies and practices, disclosures and recordkeeping for the firm as well as for directing the advice given to clients. As part of his supervisory role, Mr. Martin has taken the following steps to monitor and review the advice given to clients by Messrs. Thisse and Roes:

- Reviews client correspondence including quarterly reports to confirm that they are consistent with Ashford's internal policies and with the firm's understanding of the client's financial objectives;
- Actively participates with Messrs. Thisse and Roes in client meetings and teleconferences;
- Reviews client meeting materials prepared by Messrs. Thisse and Roes;
- Reviews meeting memorandums and follow up letters following client meetings; and
- Formally reviews Messrs. Thisse and Roes' job performance on a semi-annual basis.