

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

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**This brochure provides information about the qualifications and business practices of Pension Partners, LLC (hereinafter “Pension Partners” or “firm” or “we”). If you have any questions about the contents of this brochure, please contact us at (212)-255-5000 or at [solutions@pensionpartners.com](mailto:solutions@pensionpartners.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 Pension Partners 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. The CRD number for Pension Partners is 125772.**

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

On July 21, 2010, the U. S. Securities and Exchange Commission (the "SEC") unanimously adopted changes to Form ADV, Part II. All fifty states have also adopted the new format, with some additional state-specific disclosures mandated. The new Part 2, also known as the "Brochure" has 18 separate items that our firm must address (19 for state-registered advisers), each of which requires disclosure on a distinct topic, and answers must be presented in the order of the items in the form, using the headings in the form. Our goal is to provide you with easy-to-understand "plain-English disclosure," using an easy-to-read format and definite, concrete, everyday words.

Our current (updated) Form ADV, Part 2 will be available to our existing and prospective clients 24 hours a day through the Investment Adviser Public Disclosure website. Additionally, we will annually and within 120 days of the end of our fiscal year, provide you either: (i) a copy of our Form ADV, Part 2 that includes or is accompanied by a summary of material changes; or (ii) a summary of material changes that includes an offer to provide a copy of the current Form ADV, Part 2. We urge you to carefully review all subsequent summaries of material changes, as they will contain important information about any significant changes to our advisory services, fee structure, business practices, conflicts of interest, and disciplinary history.

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#### **Item 4. Advisory Business**

Pension Partners is a fee-based SEC-registered investment adviser with its principal place of business located in New York, New York. We have been in business since 1999, with Edward Dempsey as the sole owner, Managing Member, Chief Investment Officer, and Chief Compliance Officer.

##### Portfolio Management Services

Our firm provides continuous advice to a client regarding the investment of client 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 policy and create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. We may also review and discuss a client's prior investment history, as well as family composition and background.

Our firm also provides portfolio management services to clients using model asset allocation portfolios. Each model portfolio is designed to meet a particular investment goal.

Through personal discussions with the client in which the client's goals and objectives are established, we will determine if and which model portfolio is suitable to the client's circumstances. Once the suitability of the portfolio has been determined, the portfolio will be managed based on the portfolio's goal, rather than on each client's individual needs. Clients, nevertheless, will have the opportunity to place reasonable restrictions on the types of investments to be held in the client's account and account supervision will be guided by the stated objectives of the client (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations. Clients will retain individual ownership of all securities.

In order to ensure that our initial determination of an appropriate portfolio continues to be suitable and that the client's account continues to be managed in a manner suitable to the client's financial circumstances, we will maintain client suitability information in the client's file. On a quarterly basis, we will notify clients in writing to request updated information regarding the client's financial situation and investment objectives and whether the client wishes to impose or modify existing investment restrictions. In addition, we will contact clients at least annually to determine whether there have been any changes in the client's financial situation and whether the client wishes to impose investment restrictions or modify existing restrictions.

We will manage advisory accounts on a discretionary basis only. Discretionary assets under our firm's management were \$47,100,000 as of August 31, 2010.

We may also provide additional advice which is investment advisory in nature (i.e., opinions relating to liabilities, cash flow, risk management and various other financial planning issues), but do not consider ourselves a financial planner or provider of general financial services beyond the scope of services as outlined in our advisory agreement(s).

Our investment recommendations are not limited to any specific product or service offered by a broker dealer or insurance company and will generally include advice regarding exchange-listed and over-the-counter securities, no-load mutual funds, exchange traded funds, warrants, variable life insurance, variable annuities, corporate debt securities, municipal securities, United States governmental securities, certificates of deposit, and commercial paper. We may also recommend to advisory clients investments in private placement offerings and/or limited investment partnerships, such as, hedge funds and other pooled investment partnerships. Additional information about the fees related to such investments is included in the offering documents provided to prospective investors. Because these types of investments involve certain additional degrees of risk, they will only be recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

#### Pension Consulting Services

We also provide several advisory services separately or in combination. While the primary clients for these services will be pension, profit sharing and 401(k) plans, we will also offer these services, where appropriate, to individuals and trusts, estates and charitable organizations. Pension Consulting Services are comprised of four distinct services. Clients may choose to use any or all of these services.

#### *Investment Policy Statement Preparation (hereinafter referred to as "IPS"):*

We will meet with the client (in person or over the telephone) to determine an appropriate investment strategy that reflects the plan sponsor's stated investment objectives for management of the overall plan. Our firm will then prepare a written IPS stating those needs and goals and encompassing a policy under which these goals are to be achieved. The IPS will also list the criteria for selection of investment vehicles and the procedures and timing interval for monitoring of investment performance.

#### *Selection of Investment Vehicles:*

We will assist plan sponsors in constructing asset allocation models, and review various investments to determine which investments are appropriate to implement the client's IPS. We will review various investments, consisting exclusively of mutual funds (both index and managed) to determine which of these investments are appropriate to implement the client's IPS. The number of investments to be recommended will be determined by the client, based on the IPS.

### *Monitoring of Investment Performance:*

We will monitor client investments continuously, based on the procedures and timing intervals delineated in the Investment Policy Statement. Although our firm will not be involved in any way in the purchase or sale of these investments, we will supervise the client's portfolio and will make recommendations to the client as market factors and the client's needs dictate.

### *Employee Communications:*

For pension, profit sharing and 401(k) plan clients with individual plan participants exercising control over assets in their own account ("self-directed plans"), we may also provides quarterly educational support and investment workshops designed for the plan participants. The nature of the topics to be covered will be determined by us and the client under the guidelines established in ERISA Section 404(c). The educational support and investment workshops will NOT provide plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.

### Third Party Manager Search and Monitoring Services

While we do not currently offer these services to new clients, a small number of existing clients may be participating in the SEI Asset Management Program (hereinafter, "SEI Program").

In this program, SEI provides advisory services to our firm (but not to the client) involving the structure and design of asset allocation portfolios comprised solely of mutual funds advised by SEI. SEI also advises us with respect to reallocation and rebalancing of investments within such asset allocation programs.

The SEI Program is designed as follows:

We will determine the client's current financial situation, financial goals and attitudes towards risk through various analyses and questionnaires. This process will help us review the client's situation and enable us to recommend an initial asset allocation based on the client's specific needs and goals.

In determining the initial allocation to be used, we will use several model portfolios of no-load mutual funds provided to us by SEI. We, will, if appropriate, suggest modifications to these models to more adequately address the client's individual needs. The client may place reasonable restrictions on the nature of the funds held in the portfolio or the allocation among the various classes, and our firm will assist the client in understanding and evaluating the potential impact of these restrictions on the model portfolios.

Once the client's asset allocation has been established, the portfolio will be implemented using the mutual funds advised by SEI. SEI Investments Management

Corporation selects the investment managers of the underlying mutual funds. SEI utilizes institutional investment management firms. The fund managers are monitored by SEI to ensure that their investment styles and performance remain consistent with the objectives of the mutual funds.

Our firm periodically monitors these accounts and, when appropriate, we will suggest a reallocation of the portfolio based on changing economic conditions or changes in the client's individual circumstances. However, any move to a new program is solely at the discretion of the client.

As economic or market changes occur, SEI will make a quarterly review of its model allocations and may recommend changes in these model allocations to us. SEI will not make any ongoing recommendations concerning portfolios which deviate from SEI's models ("custom portfolios"); our firm responsible for all reviews and must instruct SEI to make any changes to such portfolios.

## **Item 5. Fees and Compensation**

### Portfolio Management Services

Our fees for Investment Supervisory Services are based upon a percentage of assets under management and currently range from 1.00% - 2.00%, based on the terms of each client's advisory contract.

Depending on the particular arrangement with each client, we will either invoice clients or directly debit their custodial accounts.

### Pension Consulting Services

Our fees for Pension Consulting Services are based upon a percentage of assets under advisement, according to the following schedule:

<u>Assets under Advisement:</u>	<u>Annual Fee (%)</u>
\$0 - \$999,999	1.00%
\$1,000,000 - \$1,999,999	0.75%
\$2,000,000 - \$2,999,999	0.50%
\$3,000,000 - and over	0.33%

### Third Party Manager Search and Monitoring Services

Our annual fee for the SEI Asset Management Program is charged as a percentage of assets under management, according to the following schedule:

<u>Market Value</u>	<u>Annual Fee (%)</u>
\$0 - \$100,000	1.25%
\$100,001 - \$1,000,000	1.00%
Over \$1,000,000	Negotiable

### Fees in General

Fees are billed in advance at the beginning of each quarter, based upon the average of the last day of each month of the previous calendar quarter, pro-rated for additions and withdrawals.

Fees and account minimums for all services are negotiable based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.). Discounts, not generally available to our advisory clients, may be offered to family members and friends.

We may group certain related client accounts for the purposes of determining the account size and/or annualized fee.

Under no circumstances will we earn fees in excess of \$1,200 more than six months in advance of services rendered.

### Account Termination

Clients will have a period of five (5) business days from the date of signing the agreement to unconditionally rescind the agreement and receive a full refund of all fees. Thereafter, the client may terminate the agreement by providing us with a 30-day written notice at our principal place of business. Upon termination of any account, any prepaid, unearned fees will be promptly refunded on a pro-rated basis, and any earned, unpaid fees will be due and payable.

Mutual Fund and ETF Fees and Expenses: All fees paid to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and 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. A client could invest in a mutual fund or an ETF directly, without the services of our firm. In that case, the client would not receive



the services provided by us which are designed, among other things, to assist the client in determining which mutual fund or funds or ETFs are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and ETFs and the fees charged by us to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

#### Brokerage and Custodian Fees

In addition to advisory fees paid to our firm, clients will also be responsible for all transaction, brokerage, and custodian fees incurred as part of their account management. Please see Item 12 of this Brochure for important disclosures regarding our brokerage practices.

#### Compensation for the Sale of Securities or other Investment Products

Edward Dempsey is a registered securities representative of Purshe Kaplan Sterling Investments, (hereinafter, "PKS"), a registered broker-dealer, member of the Financial Industry Regulatory Authority ("FINRA"). In addition, Mr. Dempsey is an insurance agent/broker of various insurance companies. In these capacities, Mr. Dempsey may recommend securities, insurance, or other products, and receive normal securities transactions commissions and/or insurance commissions if products are purchased through any firms with which he is affiliated. Thus, a conflict of interest exists between the interests of Mr. Dempsey and those of the advisory clients, creating an incentive for him to recommend investment products based on the compensation received, rather than on a client's needs. However, clients are under no obligation to act upon any recommendations of Mr. Dempsey or to effect any transactions through him if they decide to follow the recommendations (unless they have granted our firm discretionary investment authority). Mr. Dempsey does not limit his recommendations to products or services offered by PKS or any affiliated insurance companies and ensures that all recommendations are appropriate for a client's specific needs. Clients have the option to purchase insurance products recommended through other insurance brokers or agents not affiliated with our firm. Please refer to Item 10 of this Brochure for a more detailed explanation of how our firm handles and mitigates these conflicts of interest.

Our firm's advisory fees are typically not reduced by the amount of commissions, markups, or 12b-1 distribution fees received by Mr. Dempsey.

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

We do not charge any fees based on a share of capital gains on or capital appreciation of the assets of a client.

## **Item 7. Types of Clients**

Our firm generally provides advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, and other business entities.

We generally require a minimum of \$25,000 of assets under management for Investment Supervisory services. However, this minimum account size is negotiable under certain circumstances.

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

Our firm employs fundamental, technical, and charting analysis to formulate client recommendations.

Fundamental Analysis: Fundamental analysis of a business involves analyzing its income statement, financial statements and health, its management and competitive advantages, and its competitors and markets. Fundamental analysis school of thought maintains that markets may mis-price a security in the short run but that the "correct" price will eventually be reached. Profits can be made by trading the mis-priced security and then waiting for the market to recognize its "mistake" and re-price the security. However, fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock. Therefore, unforeseen market conditions and/or company developments may result in significant price fluctuations that can lead to investor losses.

Technical Analysis: Technical analysis seeks to identify price patterns and trends in financial markets and attempt to exploit those patterns. We follow and examine such indicators as price, volume, moving averages of the price and market sentiment.

Charting: In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.

Since technical analysis predictions are only extrapolations from historical price patterns, investors bear risk that these patterns will not reoccur as expected. Moreover, technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

Risks for all forms of analysis: Our securities analysis method relies 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.

Our firm employs the following investment strategies to implement investment advice given to clients:

Long-term purchases: We purchase securities with the idea of holding them in the clients account for a year or longer. We may do this because we believe the securities to be currently undervalued. We may do this because 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 also purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A risk in a short-term purchase strategy is that, should the anticipated price swing not materialize, we are left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss. In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

Option writing: We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires.

A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires.

We will use options to speculate on the possibility of a sharp price swing. We will also use options to “hedge” a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio.

We use “covered calls”, in which we sell an option on security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.

A risk of covered calls is that the option buyer does not have to exercise the option, so that if we want to sell the stock prior to the end of the option agreement, we have to buy the option back from the option buyer, for a possible loss.

We use a “spreading strategy”, in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors.

A risk of spreading strategies is that the ability to fully profit from a price swing is limited.

***Clients should understand that investing in any securities, including mutual funds and ETFs, involves a risk of loss of both income and principal.***

#### **Item 9. Disciplinary Information**

Our firm has no reportable disciplinary events to disclose.

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

As is disclosed in Item 5 of this Brochure, Edward Dempsey is a registered securities representative of PKS. In addition, Mr. Dempsey is an insurance agent/broker of various insurance companies. Please refer to Item 5 for a detailed explanation of these relationships and important conflict of interest disclosures.

Clients should be aware that the receipt of additional compensation by our firm and its management persons or employees creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. We endeavor at all times to put the interest of our clients first as part of our fiduciary duty as a registered investment adviser and take the following steps to address this conflict:

1. We disclose to clients the existence of all material conflicts of interest, including the potential for our firm and its employees to earn compensation from advisory clients in addition to our advisory fees;
2. We disclose to clients that they are not obligated to purchase recommended investment products from our employees;
3. We collect, maintain and document accurate, complete and relevant client background information, including the client’s financial goals, objectives and risk tolerance;

4. Our management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
5. We require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
6. We periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
7. We educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

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

Code of Ethics Disclosure

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. 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 provides for oversight, enforcement and recordkeeping provisions. A copy of our Code of Ethics is available to our advisory clients and prospective clients upon request to Edward Dempsey at the firm's principal office address.

As is disclosed in Item 5 of this Brochure, Edward Dempsey is a registered securities representative of PKS. In addition, Mr. Dempsey is an insurance agent/broker of various insurance companies. Please refer to Item 5 for a detailed explanation of these relationships and important conflict of interest disclosures.

Our firm or individuals associated with our firm may buy or sell securities identical to those recommended to or purchased for customers for their personal accounts. 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. This practice results in a potential conflict of interest, as we may have an incentive to manipulate the timing of such purchases to obtain a better price or more favorable allocation in rare cases of limited availability.

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

1. No principal or employee of our firm may 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 principal or employee of our firm may prefer his or her own interest to that of the advisory client.
2. 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, and therefore, preventing such employees from benefiting from transactions placed on behalf of advisory accounts.
  3. We maintain a list of all securities holdings for our firm and anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by Mr. Dempsey.
  4. All clients are fully informed that Mr. Dempsey may receive separate compensation when effecting transactions during the implementation process.
  5. We emphasize the unrestricted right of the client to decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.
  6. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
  7. Any individual not in observance of the above may be subject to termination

## **Item 12. Brokerage Practices**

We do not have any formal or informal soft-dollar arrangements and do not receive any soft-dollar benefits.

We do not request or accept the discretionary authority to determine the broker dealer to be used for client accounts. Clients must direct us as to the broker dealer to be used for all client securities transactions. In directing the use of a particular broker or dealer, it should be understood that we will not have authority to negotiate commissions among various brokers, and best execution may not be achieved, resulting in higher transaction costs for clients. *Not all advisers require their clients to direct brokerage.*

Our firm participates in the Fidelity Institutional Wealth Services Program (hereinafter, "FIWS") sponsored by Fidelity Brokerage Services LLC (hereinafter, "Fidelity"), member FINRA/NYSE/SIPC. Clients in need of brokerage and custodial services will have Fidelity recommended to them. While there is no direct linkage (except in certain circumstances) between the investment advice given to clients and our firm's participation in the FIWS program, we receive economic benefits which would not be received if we did not give investment advice to clients. These benefits include: A dedicated trading desk that services FIWS participants exclusively, a dedicated service group and an account services manager dedicated to our firm's accounts, access to a real-time order matching system, ability to 'block' client trades, electronic download of trades, balances and positions, access, for a fee, to an electronic interface with FIWS' software,

duplicate and batched client statements, confirmations and year-end summaries, the ability to have advisory fees directly debited from client accounts (in accordance with federal and state requirements), availability of third-party research and technology, a quarterly newsletter, access to Fidelity mutual funds, access to AdvisorChannel.com (internet access to statements, confirmations and transfer of asset status), access to Account View (through which clients may access their account information over the internet via our website), access to over 350 mutual fund families and 4,500 mutual funds NOT affiliated with Fidelity, of which over 2,000 have no transaction fee, ability to have loads waived for our clients who invest in certain Fidelity loaded funds, when certain conditions are met and maintained and the ability to have custody fees waived (when negotiated by the adviser and allowed under certain circumstances).

The benefits we receive through participation in the FIWS program may depend upon the amount of transactions directed to, or amount of assets custodied by, Fidelity.

Participation in the FIWS program results a potential conflict of interest for our firm, as the receipt of the above benefits creates an incentive for us to recommend Fidelity to clients.

Nonetheless, we have reviewed the services of Fidelity and recommend the services based on a number of factors. These factors include the professional services offered, commission rates, and the custodial platform provided to clients. While, based on our business model, we will not seek to exercise discretion to negotiate trades among various brokers on behalf of clients, we will, however, periodically attempt to negotiate lower commission rates for our clients with Fidelity.

#### Trade Aggregation

As a matter of policy and practice, our firm does not generally block client trades and, therefore, implements client transactions separately for each account. Due to this practice, 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 to block client trades.

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

#### Investment Supervisory Services

Edward Dempsey, Managing Member and Chief Compliance Officer, will continuously monitor the underlying securities in client accounts and perform at least monthly reviews of account holdings for all clients. Mr. Dempsey will review individually tailored accounts for consistency with client investment strategy, asset allocation, risk tolerance and performance relative to the appropriate benchmark. Mr. Dempsey will review model portfolio accounts in the context of the investment objectives and guidelines of the model portfolio as well as any investment restrictions provided by the client. More frequent

reviews may be triggered by changes in an account holder's personal, tax or financial status. Economic and macroeconomic specific events may also trigger reviews.

In addition to the monthly statements and confirmations of transactions that clients receive from their broker dealer, our firm will provide quarterly performance reports.

#### Pension Consulting Services

Edward Dempsey will review client investment policy statements whenever clients indicate a change in circumstances regarding the needs of the plan. He will also review the investment options of the plan according to the agreed upon time intervals established in the investment policy statement. Such reviews will generally occur quarterly.

These clients will receive reports as contracted for at the inception of the advisory relationship.

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

Our firm does not receive any additional compensation from third parties for providing investment advice to its clients and does not compensate anyone for client referrals.

#### **Item 15. Custody**

We urge all of our management clients to carefully review and compare their quarterly reviews of account holdings and/or performance results to those they receive from their custodian.

#### **Item 16. Investment Discretion**

For clients granting us discretionary authority to determine which securities and the amounts of securities that are to be bought or sold for their account(s), we request that such authority be granted in writing, typically in the executed advisory agreement.

Should the client wish to impose reasonable limitations on this discretionary authority, such limitations shall be included in this written authority statement. Clients may change/amend these limitations as desired. Such amendments must be submitted to us by the client in writing.

#### **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.

We will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

**Item 18. Financial Information**

Under no circumstances will we earn fees in excess of \$1,200 more than six months in advance of services rendered.

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

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10/27/2010

**This brochure supplement provides information about Edward Dempsey that supplements the Pension Partners, LLC brochure. You should have received a copy of that brochure. Please contact Mr. Dempsey if you did not receive Pension Partners, LLC's brochure or if you have any questions about the contents of this supplement.**

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

Edward M. Dempsey, Managing Member, Chief Investment Officer and Chief Compliance Officer

Year of Birth: 1962

### Education:

Mr. Dempsey graduated from St. Peter's College with a B.S. degree in 1984.

### Business Background:

6/2000 - 12/2005: Multi-Financial Securities Corporation, Registered Representative  
01/2006 - present: Purshe Kaplan Sterling Investments, Registered Representative  
07/1999 - present: Pension Partners, LLC, Managing Member, Chief Investment Officer and Chief Compliance Officer

## **Item 3. Disciplinary Information**

Mr. Dempsey does not have any history of disciplinary events.

## **Item 4. Other Business Activities**

Edward Dempsey is a registered securities representative of Purshe Kaplan Sterling Investments, (hereinafter, "PKS"), a registered broker-dealer, member of the Financial Industry Regulatory Authority ("FINRA"). In addition, Mr. Dempsey is an insurance agent/broker of various insurance companies. In these capacities, Mr. Dempsey may recommend securities, insurance, or other products, and receive normal securities transactions commissions if products are purchased through any firms with which he is affiliated. Thus, a conflict of interest exists between the interests of Mr. Dempsey and those of the advisory clients, creating an incentive for him to recommend investment products based on the compensation received, rather than on a client's needs. However, clients are under no obligation to act upon any recommendations of Mr. Dempsey or to effect any transactions through him if they decide to follow the recommendations (unless they have granted our firm discretionary investment authority). Mr. Dempsey does not limit his recommendations to products or services offered by PKS or any affiliated insurance companies and ensures that all recommendations are appropriate for a client's specific needs. Clients have the option to purchase insurance products recommended through other insurance brokers or agents not affiliated with our firm.

**Item 5. Additional Compensation**

Mr. Dempsey does not receive any additional compensation from third parties for providing investment advice to its clients and does not compensate anyone for client referrals.

**Item 6. Supervision**

Since Mr. Dempsey is the sole owner and investment adviser representative of Pension Partners, LLC, he is solely responsible for all supervision and formulation and monitoring of investment advice offered to clients.