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This brochure provides information about the qualifications and business practices of Heydorn Capital Management LLC. If you have any questions about the contents of this brochure, please contact us at: 914-752-7300, or by email at: [info@heydorncapital.com](mailto:info@heydorncapital.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 Heydorn Capital Management LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

May 15, 2012

### **Material Changes Since The Last Update**

The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring advisers to provide a Firm Brochure in narrative “plain English” format. The new rule specifies mandatory sections and organization.

Since our last brochure dated March 31, 2012 there have been two material changes causing us to update this brochure:

- The office of Heydorn Capital Management has been moved from Nyack, NY to 600 Mamaroneck Avenue, Suite 400, Harrison, NY. The phone and fax numbers have changed to:  
telephone 914-752-5300  
toll free 888-752-5589  
facsimile 914-752-5302
- Alana Stone has been named Chief Investment Officer

Whenever you would like to receive an additional copy of our Firm Brochure, please contact us by telephone at 914-752-5300 or by email at: [info@heydorncapital.com](mailto:info@heydorncapital.com)

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## **Advisory Business**

Heydorn Capital Management LLC is an independent Registered Investment Adviser (RIA) established in June 2001. The principal owner is Margaret S. Heydorn, CFP® and President.

Heydorn Capital Management LLC (HCM) primarily offers discretionary investment management services to individuals for their individual investment portfolios, for trust accounts on which they are a named trustee, their various retirement plans such as IRAs, Roth IRAs, SEP IRAs or their pension or profit sharing plans, as well as for endowments, foundations and closely held corporations.

In addition, HCM provides financial planning and consulting services to individuals. Depending on a client's needs these services could include comprehensive financial planning, retirement planning, estate planning, planning for college funding, client 401(k) plan option selection, and an analysis of portfolios held outside of HCM.

### **Investment Management Services**

HCM takes a client-centered approach to developing an investment strategy for each individual client with a focus on determining an appropriate asset allocation to help achieve the client's financial goals. Individually tailored portfolios are structured based on the investment objectives, time horizon, cash flow needs, restrictions, and risk profile of the client as well as the value of assets under management.

Based on the financial information provided by the client, HCM assists the client in defining their investment goals. Upon review of this information, HCM will recommend suitable investment strategies and investment vehicles for the client. HCM generally has investment discretion to implement transactions in the client's account in line with the objectives and strategy agreed upon. The client in no way surrenders ownership of the assets and HCM cannot remove cash or securities from the client's account without express written instructions from the client. It is understood that HCM provides investment advice to clients with varying objectives and that advice may vary in the timing or nature between clients.

Investments in individual portfolios include any combination of the following vehicles as appropriate for the client:

- No-load or load-waived mutual funds including
  - a. stock funds comprised of small, medium and large sized companies, both domestic and international, including developed and emerging economies, with varying investment strategies
  - b. bond funds comprised of US corporate, government, or municipal bonds of varying durations as well as international bond funds of both developed and emerging markets

- c. specialty mutual funds which focus on a particular area or sector of the market such as natural resources, commodities, etc.
- Individual US corporate, governments, municipal bonds, and traded bank certificate of deposits
- Exchange Traded Funds (ETF) covering all of the above categories. ETFs are market traded baskets of stocks or bonds focusing on a specific index or sector of the market. These instruments are used to further diversify holdings in a portfolio.

HCM does not recommend individual stocks. However, if a client wishes to have a portfolio of individual stocks, HCM is able to recommend a separate account manager from a broad array of styles and firms participating in Charles Schwab & Co., Inc (Schwab) Separate Account Manager Program. A comprehensive review is performed of investment managers selected for this program. These firms are not affiliated with HCM and are selected by HCM based on their suitability in client accounts. Client accounts are managed solely by HCM and manager changes are recommended by HCM as appropriate.

Individual stocks may also be transferred into a client's account at HCM. It is the policy of HCM to liquidate them as soon as practical to transition the account in accordance with the client's strategy. If there are particular stocks that a client wishes to retain, we will accommodate them on an unmanaged basis within the account.

Investment advisory agreements may be terminated without penalty as soon as practical upon written notice from either party.

Assets under management as of 12/31/2011:

Discretionary:	\$39,470,000
Non-Discretionary:	<u>\$ 1,165,000</u>
Total	\$40,635,000

#### Financial Planning Services:

HCM provides financial planning services to individuals based on their individual goals and objectives. The client provides HCM with information regarding their current position in terms of investments, insurance, tax, retirement and estate planning.

Upon completion of an analysis of the information provided, HCM will recommend suitable financial planning and investment strategies. These recommendations will focus on one or more of the following areas:

- Comprehensive Financial Planning
- Investment Planning
- Retirement Planning

- Insurance Planning
- Estate Planning

HCM provides the client with a written report of all the analysis and recommendations based on the extent of the plan required. Implementation of the recommendations is at the discretion of the client.

### **Fees and Compensation**

HCM's investment advisory fees are based strictly on a percentage of assets under management. This allows HCM to be completely objective in structuring a diversified investment portfolio with the client's best interest in mind. Fees are billed quarterly in arrears based on the market value on the last day of the quarter adjusted for contributions and withdrawals during the quarter. HCM's standard fee schedule is:

1.25% per annum on the first \$500,000 of assets under management  
1.00% per annum on the next \$500,000 of assets under management  
0.75% per annum on the next \$2,000,000 of assets under management  
0.50% per annum on the next \$2,000,000 of assets under management  
0.25% per annum on the balance over \$5,000,000 under management  
Minimum quarterly fee \$625

It is HCM's policy to debit management fees directly from client accounts. When a client has more than one account, HCM may be instructed to debit fees for all accounts from one account. Fees for partial quarters, such as the initial quarter, will be pro-rated for the period the funds were managed. In certain circumstances HCM may accept payment of management fees by check. If payment is not made by the end of the second month following the quarter end, HCM reserves the right to debit management fees directly from the account.

HCM does not receive a 12b-1 fee or other compensation from mutual funds that it recommends to clients. HCM does not share in any fees paid to investment managers in the Separate Account Manager Program.

HCM has entered into an agreement with Charles Schwab & Co., Inc. (Schwab) to provide custodial services to its clients. Trading executions are predominantly done through Schwab. The client may be charged a transaction fee on the purchase or sale of stocks, exchange traded securities, and certain mutual funds which is included in the cost or proceeds of the trade. In addition, if bonds are purchased through a broker other than Schwab for delivery into client accounts, Schwab may charge a \$25 handling fee.

HCM does not receive any portion of fees charged by Schwab or any other broker.

HCM investment advisory services fees for retirement plan programs are determined by services required by the Plan Sponsor. HCM does not receive any other compensation from retirement plan providers or investment options recommended for the plan.

For Financial Planning and other consulting services, HCM charges an hourly fee. Consulting services are billed at an hourly rate of \$150 per hour with a minimum of \$600, or a one time fixed fee that will be negotiated based on the time and complexity of the project. Hourly fees are billed monthly. Fixed fees are billed at one half of the agreed upon amount at the inception of the project with the balance due upon presentation to the client. The client is responsible for implementing in whole or in part any recommendation made by HCM.

Heydorn Capital Management may receive a portion of the commission on insurance policies purchased by a client from entities with whom HCM has agreements.

### **Performance Based Fees**

Not applicable.

### **Types of clients**

Heydorn Capital Management provides investment advisory services to individuals, trustees, retirement plan trustees, endowments, foundations and privately owned corporations.

The minimum account size is \$200,000.00. Minimum requirement exceptions may be made when the account is part of an existing client relationship or if additional deposits will be made within a reasonable time frame.

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

### **Methods of Analysis**

HCM's investment selection process include both a qualitative and quantitative approach utilizing various industry tools, websites, periodicals, annual reports, prospectuses, SEC filings, and research prepared by others such as Morningstar Principia Pro, Schwab Institutional Research, Wall Street Journal Market Data, Stock Charts, Bloomberg, and others.

### **No-load Mutual Funds and Closed End Funds**

HCM selects mutual funds on the basis of any or all of the following criteria: historical performance, risk profile, investment style and philosophy, sector allocation, portfolio manager's track record, and the fund's fee structure.



Stock and bond mutual funds that are in the top quartile are screened and sorted by strategy (domestic, global, and international; large, mid and small cap) and by style (growth, value, or blend.) Performance is reviewed over 3, 5, and 10 year periods seeking funds that beat peer funds and their relevant index, and those who demonstrate consistent performance. Funds are then evaluated on their risk vs. return profile and those offering the lowest risk and highest return are selected for further review.

The expertise and track record of the fund's portfolio manager(s) is researched taking into consideration the length of time he/she has managed the fund and prior fund management history, if any. The largest sectors and top 10 holdings of the portfolio are also reviewed to confirm the fund's asset class and style classification and assess the volatility of the holdings. Immediate notification is received if there is any major change to the fund's investment guidelines or portfolio management structure. The change is evaluated and HCM makes a decision whether to sell the fund immediately or place on a watch list for further evaluation. HCM also participates in selected interviews and conference calls with fund managers and meets with fund representatives periodically to get updates and review offerings.

#### Individual corporate, governments and municipal bonds, and marketable bank Certificate of Deposits

HCM receives its primary research on individual bonds from the Schwab Institutional Bond Trading desk and has access to other secondary bond brokers. Bonds are viewed by type, maturity, and credit rating. Additional research is performed on the underlying company, agency, or municipality. Bonds are generally held to maturity in a laddered bond portfolio with monitoring of risk but may also be sold prior to maturity as appropriate.

#### Exchange Traded Funds (ETFs)

ETFs are used in portfolios where specific index funds are appropriate or to provide additional diversification to specific areas of the market. Research sources and procedures similar to those used for mutual funds are used.

### **Investment Strategies**

The primary investment strategy used at Heydorn Capital Management is diversification through asset allocation. With adequate diversification portfolio volatility can be reduced over time to allow more consistent investment performance with less risk.

HCM uses a combination of a strategic and a tactical approach to asset allocation. The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The overall strategy for the client should remain constant unless there are material changes to the client's objectives or circumstances – this is the strategic allocation. However, based on the market conditions or short term needs of the client we may need to shift the allocation – this is the tactical allocation.

HCM uses six asset allocation models ranging from the most aggressive all equity allocation to the most conservative capital preservation allocation model. A target allocation creates the baseline position for the portfolio, the strategic allocation. Target minimum and maximum ranges provide the tactical leeway allowed within the model based on market or temporary conditions without changing the overall objective driving the asset allocation. If a client's overall objectives or circumstances have changed we will adjust the overall strategy and change the asset allocation model as appropriate. The client may change these objectives at any time.

Individual stocks may be transferred into a client's account at HCM. It is the policy of HCM to liquidate them as soon as practical to transition the account in accordance with HCM's strategy. If there are particular stocks that a client wishes to retain, it is accommodated on an unmanaged basis within the account and is included on the client's statement of holdings in an "unmanaged" category.

HCM investment strategies are designed for long-term investors and are not appropriate for investors who want to engage in short term trading of mutual funds or frequently move among investment managers in anticipation of or in reaction to short-term market trends. HCM recommends that investors carefully review the investment risks and tax consequences inherent in any investment strategy before it is implemented.

### **Risk of Loss**

All investments have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind and having a well diversified portfolio across many asset classes does its best to mitigate them. However, all investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause bond prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of any security - bond, stock, mutual fund, or ETF - may drop in reaction to events and conditions caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and environmental conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate is not.
- **Financial Risk:** Excessive borrowing to finance business operations increases the risk of profitability, because companies must meet the terms of their obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

### **Disciplinary Information**

Heydorn Capital Management and its representatives have not been involved in any legal or disciplinary events related to past or present investment clients.

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

During the financial planning process or when consulting with clients, HCM is occasionally asked to review existing insurance contracts or to make recommendations regarding the adequacy of the client's insurance coverage. This may include individual life insurance, health insurance, long term care insurance, as well as group life insurance and group health insurance for small businesses. HCM will work with the client's current insurance representative. If the client would like a second opinion or requests a referral to a new insurance professional, HCM has agreements with several entities that may assist HCM's clients with their insurance needs. HCM may receive a portion of the commission on insurance policies purchased by a client from entities with whom HCM has agreements.

HCM is happy to work with client's existing attorneys or accountants. Occasionally, clients will request that HCM recommend an estate planning attorney or an accountant. We make recommendations to other professionals without expectation of compensation of any kind in assisting our clients to manage their financial affairs.

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

### Code of Ethics

Heydorn Capital Management has adopted a Code of Ethics designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940 (“Advisers Act”). This Code establishes rules of conduct for all representatives of HCM and is designed to govern personal securities trading activities in the accounts of representatives. The Code is based upon the principle that HCM and its representatives owe a fiduciary duty to our clients to conduct their affairs, including their personal securities transactions, in such a manner as to avoid serving their own personal interests ahead of clients, avoid taking inappropriate advantage of their position with the firm, and avoid any actual or potential conflicts of interest or any abuse of their position of trust and responsibility.

Pursuant to Section 206 of the Advisers Act, HCM and its representatives are prohibited from engaging in fraudulent, deceptive or manipulative conduct. Compliance with this section involves more than acting with honesty and good faith alone. It means that the HCM has an affirmative duty of utmost good faith to act solely in the best interest of its clients. HCM and its representatives are subject to the following specific fiduciary obligations when dealing with clients:

- The duty to have a reasonable, independent basis for the investment advice provided;
- The duty to obtain best execution for a client’s transactions where the Firm is in a position to direct brokerage transactions for the client;
- The duty to ensure that investment advice is suitable to meeting the client’s individual objectives, needs and circumstances; and
- A duty to be loyal to clients.

In meeting its fiduciary responsibilities to its clients, HCM expects every representative to demonstrate the highest standards of ethical conduct for continued employment with HCM. The provisions of the Code are not all-inclusive. Rather, they are intended as a guide for representatives of HCM in their conduct.

A copy of Heydorn Capital Managements Code of Ethics will be provided upon request.

### Participation or Interest in Client Transactions – Not applicable

Personal Trading - HCM and its representatives may buy or sell securities that are also held by clients. Representatives of HCM are required to maintain their account and accounts over which they have investment authority at HCM or to provide quarterly transaction reports. HCM will review personal trading to ensure no violations of the code have occurred. However, the insignificantly small trades of HCM representatives in mutual funds, individual bonds, or exchange-traded funds in no way affects the securities markets.

### **Brokerage Practices**

The applicant recommends that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co. a FINRA-registered broker-dealer, member of SIPC, to maintain custody of clients' assets and to process trades for their accounts. HCM is independently owned and operated and not affiliated with Schwab. Schwab provides HCM with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. Schwab's services include trade execution, custody, research, and access to mutual funds and other investments that are otherwise available only to institutional investors or would require a significantly higher minimum initial investment. At the request of a client, HCM may use an alternate broker-dealer for client accounts. In that case HCM will evaluate the reasonableness of commissions, other costs of trading, ability to facilitate trades, computer trading support and other operational considerations in agreeing to use the alternate broker-dealer. HCM does not share in any commissions from Charles Schwab or any other securities broker-dealer.

### **Review of Client Accounts**

The underlying securities in client accounts are continuously monitored. Overall client portfolios are reviewed quarterly or more frequently if triggered by a material event, to ensure that they are in line with the client's investment objectives and guidelines. Changes to the holdings and asset allocation within client guidelines are made as appropriate.

A review of client accounts is generally conducted annually with the client, or whenever client objectives or circumstances have changed. Clients are reminded quarterly to advise HCM if their objectives or circumstances have changed.

Margaret S Heydorn, President and Alana M Stone, Vice President review accounts in accordance with the above.

### **Client Referrals and Other Compensation**

HCM has been fortunate to receive many client referrals over the years. The referrals come from current clients, estate planning attorneys, accountants, personal friends and families of HCM representatives, and other similar sources. The firm does not compensate referring parties for these referrals. On occasion a token gift of flowers or edibles may be offered as a "thank you" for the referral.

HCM may make referrals to attorneys, accountants, financial planners, and real estate brokers but does not receive any compensation as a result of the referral. HCM may receive a portion of the commission on insurance policies purchased by a client from entities with whom HCM has agreements.

## Custody and Reporting

HCM has entered into an agreement with Charles Schwab & Co., Inc. (Schwab) to provide custodial services to its clients. Reports and other communication from the custodian include:

- *Monthly Brokerage Statement:* This statement shows current holdings, market value, and a summary of transactions that occurred during the month.
- *Trade confirmations:* Custodian sends confirmation of trades as they occur along with prospectuses, annual reports, proxies, etc.
- *Tax forms:* The Custodian prepares 1099s, Realized Gain & Loss Report and all other relevant IRS tax forms.

Clients may choose to receive their trade confirmations, monthly brokerage statements, prospectuses, and annual reports electronically from the Custodian.

In addition to reports from the custodian, Heydorn Capital Management provides a comprehensive quarterly performance reporting package to clients which includes:

- *Portfolio Performance Review:* This provides a summary of cash flow from inception to quarter end. It compares the performance net of all fees of the client's portfolio to various indexes annually, quarter-to-quarter and year-to date. Performance is calculated on both a Time Weighted and Internal Rate of Return basis.
- *Comparative Portfolio Performance:* This report graphically illustrates the performance of the client's account relative to the indexes since inception.
- *Asset Allocation Report:* This report shows a color pie chart of the client's asset allocation compared to his/her target. It also illustrates percentage ranges of each asset class allowed in the target allocation.
- *Statement of Holdings:* This provides the holdings in the client's account organized by asset class. It includes the date each issue was initially purchased, the quantity owned, description, cost, quarter-end market value, and percentage of the account in each security and asset class.
- *Transaction Detail:* This statement describes each transaction that has taken place in the account during the quarter including any transaction charges.
- *Billing Statement:* This statement shows the value of assets at the end of the quarter and the management fee calculation for the previous quarter. Fees are charged in arrears and prorated for additions and withdrawals.

Clients are urged to compare custodian statements with HCM statements and to notify HCM immediately if custodian statements are not being received.

Clients also receive a quarterly commentary highlighting the events of the previous quarter, expectations for the coming quarter, and changes that may be made to portfolios as a result of those expectations.

### **Investment Discretion**

HCM accepts discretionary authority to manage portfolios on behalf of clients in the Investment Advisory agreement that the client signs appointing HCM as its advisor. HCM has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. However, HCM consults with the client at the inception of the relationship to agree upon the investment strategy that will be followed. In addition, the account application that the client signs to establish the accounts with the custodian, Schwab Institutional, allows a limited power of attorney that gives authorization to HCM to execute trades in client accounts, make transfers of funds between accounts of the client with exact registration, and to debit management fees directly from the account.

If a client chooses or is not able to give HCM investment discretion, HCM will discuss trades with the client prior to implementing them and receive written or oral approval.

By signing the account application with Schwab, the client approves the use of the custodian and the transaction or other fees paid to the custodian. HCM does not receive any portion of the fees paid by the client to the custodian.

### **Voting Client Securities**

It is the policy of HCM not to vote individual proxies on behalf of its clients. Clients will receive proxy notifications or other solicitations directly from the custodian or transfer agent are expected to vote their own proxies.

When assistance on voting proxies is requested, HCM will provide recommendations to the client. In the unlikely event that a conflict of interest exists, it will be disclosed to the client.

### **Financial Information**

HCM does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because HCM does not serve as a custodian for client assets, and does not require prepayment of fees from clients.

### **Business Continuity Plan**

HCM has a Business Continuity Plan in place that provides steps to mitigate and recover from the loss of office space, communications, services or key people. The Business Continuity Plan covers natural and man-made disasters. Electronic files are backed up daily and archived offsite.

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

### **Privacy Notice**

HCM is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, and information about transactions between you and third parties. We use this information to help you meet your personal financial goals.

With your permission, we disclose limited information to attorneys and accountants with whom you have established a relationship. You may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person. With your permission, we share a limited amount of information about you with your custodian in order to execute securities transactions on your behalf.

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this *Privacy Notice* to you annually, in writing.



## Brochure Supplement (Part 2B of Form ADV)

This brochure supplement provides information about the representatives of Heydorn Capital Management LLC that supplements Part 2A of Form ADV which is attached to this document. Please contact Margaret S. Heydorn if you have any questions about this supplement at 914-752-5300 or [info@heydorncapital.com](mailto:info@heydorncapital.com). Additional information on representatives can be found at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### Education and Business Standards

HCM requires that advisors in its employ have a bachelor's degree and further coursework demonstrating knowledge of investment management and financial planning. Additionally, advisors must have work experience that demonstrates their aptitude for investment management and financial planning.

### Biographies of Representatives of Heydorn Capital Management LLC

#### **Margaret S. Heydorn**

Born: 1952

President of Heydorn Capital Management LLC, an independent Registered Investment Advisory firm. Prior to forming HCM in June 2001, Margaret was Vice President and Manager of Strategic Allocation Services, an investment division within the Private Bank of JP Morgan Chase Bank. In addition to managing private client investment portfolios, she was responsible for managing the business. From 1997 to 2001 she was also a member of the bank wide Investment Policy Committee responsible for setting, coordinating, and monitoring bank investment policy. Over the sixteen years prior to joining JP Morgan Chase in 1990 (and its predecessor banks Chase Manhattan Bank, Chemical Bank and Manufacturers Hanover Trust Company), she held various positions advising individual and institutional clients with their investments at Bankers Trust, Metropolitan Life and Morgan Guaranty Trust Company. Margaret holds a B.S. degree in Finance from St. John's University, is a Certified Financial Services Counselor from Northwestern University's National Graduate Trust School, and was a Registered Representative of the New York Stock Exchange and National Association of Securities Dealers holding Series 7 and Series 66 licenses while at JP Morgan Chase Bank. Margaret attended New York University's School of Finance, Law and Taxation in Financial Planning, is licensed as a Life, Accident & Health insurance broker in New York, and is a Certified Financial Planner™ (CFP®) professional.

#### **Alana M. Stone**

Born: 1972

Vice President and Chief Investment Officer of Heydorn Capital Management LLC. Alana has been working in the financial services industry since 1994 and is a Certified Financial Planner™ (CFP®) professional. Alana is dedicated to the financial planning process and uses her education and experience to help clients work toward reaching their goals. In addition, she is an Adjunct Professor at Pace University's Lubin School

of Business. She has been teaching “Fundamentals of Financial Planning” to CFP® candidates since 2006.

Before joining Heydorn Capital Management in 2005, Alana worked for JPMorgan, Dreyfus and MetLife. At JPMorgan she served as Vice President and Manager of Small Business Investments and Insurances where she drove the business away from product centric-selling and toward client-centered needs based investing and insurance.

Prior to working at JPMorgan, Alana gained experience working inside a mutual fund company – The Dreyfus Corporation. While there she managed strategic marketing for high net worth clients and earned a Series 7 license. She began her career at MetLife through their management training program and headed-up the Small Business Center marketing unit before leaving. During her time at MetLife Alana earned a Series 6 and 63 licenses. Also a Chartered Financial Consultant (ChFC), Alana received a B.S. in finance from the University of Colorado. She also studied financial planning at the NYU School of Finance, Law, and Taxation.

Certain representatives have earned certifications and credentials that are required to be explained in further detail.

CERTIFIED FINANCIAL PLANNER™ or CFP®

The CFP® mark is offered - and governed - by the Certified Financial Planner® Board of Standards in Washington, DC. The CFP® designation is perhaps the most widely recognized credential in the field today. This credential is generally the designation of choice for those who wish to offer fee-based financial planning, and traditionally has been more heavily pursued by those in the tax, legal or investment professions.

The CFP® curriculum contains five core courses that cover the following planning topics:

- Investment planning
- Insurance planning
- Estate planning
- Tax planning
- Retirement planning
- Education planning
- Ethics and the financial planning process

There are approximately 106 conceptual topics related to financial planning that are covered in this material. Once all coursework has been successfully completed, students must pass a rigorous, comprehensive 10-hour board exam. Once the candidates have passed the exam, they must pass a background check and pay an entrance fee before receiving their certifications.

**Chartered Financial Consultant**

The Chartered Financial Consultant® (ChFC®) credential was introduced in 1982 as an alternative to the CFP® mark. This designation has the same core curriculum as the CFP® designation, plus two or three additional elective courses that focus on various areas of personal financial planning. The biggest difference is that it does not require candidates to pass a comprehensive board exam, as with the CFP®.

**Supervision**

All Representatives of Heydorn Capital Management are supervised by Margaret S. Heydorn, President. She reviews all work through frequent office interactions as well as remote interactions. She also reviews all activities through our client relationship management system.

**Disciplinary Information**

There are no legal or disciplinary events, civil or criminal actions either domestic, foreign, or military, administrative proceedings before the SEC or any other federal, state, or foreign regulatory agency, or self-regulatory organization proceeding, or any other proceeding in which a professional attainment, designation, or license was revoked or suspended related to any of the representatives of Heydorn Capital Management. In addition, there are no arbitration claims, self-regulatory organization or administrative proceedings, or bankruptcy petition relating to any representative of HCM.

**Other Business Activities**

Alana M. Stone is employee at Pace University's Lubin School of Business as an Adjunct Professor teaching "Fundamentals of Financial Planning" to CFP® candidates.