

# **Newsholme Financial Group, Inc.**

**2326 Crompond Road  
Yorktown Heights, NY 10598**

**Phone: 914-243-6700**

**Fax: 914-243-6725**

**2-7-2013**

## **FORM ADV PART 2 BROCHURE**

**This brochure provides information about the qualifications and business practices of Newsholme Financial Group, Inc. If you have any questions about the contents of this brochure, please contact us at 914-243-6700 or via e-mail at [jfilangeri@royalaa.com](mailto:jfilangeri@royalaa.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 Newsholme Financial Group, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Newsholme Financial Group, Inc. is 126165.**

**Newsholme Financial Group, Inc. is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.**

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

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since our last annual updating amendment dated March 9, 2012 there are no material changes to report.

## Item 3 Table of Contents

Item 1 Cover Page	Page 1
Item 2 Summary of Material Changes	Page 2
Item 3 Table of Contents	Page 3
Item 4 Advisory Business	Page 4
Item 5 Fees and Compensation	Page 7
Item 6 Performance-Based Fees and Side-By-Side Management	Page 8
Item 7 Types of Clients	Page 8
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss	Page 8
Item 9 Disciplinary Information	Page 9
Item 10 Other Financial Industry Activities and Affiliations	Page 10
Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	Page 10
Item 12 Brokerage Practices	Page 11
Item 13 Review of Accounts	Page 11
Item 14 Client Referrals and Other Compensation	Page 12
Item 15 Custody	Page 12
Item 16 Investment Discretion	Page 13
Item 17 Voting Client Securities	Page 13
Item 18 Financial Information	Page 13
Item 19 Requirements for State Registered Investment Advisers	Page 13
Item 20 Additional Information	Page 13

## Item 4 Advisory Business

### Description of Services and Fees

We are a registered investment adviser based in Yorktown Heights, New York. We are organized as a corporation under the laws of the State of New York and we have been providing investment advisory services since 2003. Donald Newsholme and Janet Newsholme Filangeri are our principal owners. Currently, we offer the following investment advisory services, which are personalized to each individual client:

- **Portfolio Management Services**
- **Financial Planning Services**

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. Also, you may see the term Associated Person throughout this Brochure. As used in this Brochure, our Associated Persons are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm.

### Portfolio Management Services

We offer RASA 044 Accounts ("RASA") as a non-commissionable advisory account where we can purchase load waived and no-load mutual funds and other equity, debt and option securities for you. Our Advisory Representative will obtain the relevant financial data from you and assist you in the selection of suitable investments. We will base our investment strategy on your specific goals and situation. In addition, you have the opportunity to place reasonable restrictions on investments held within your RASA account.

Subject to any written guidelines, which you may provide, we are granted discretion and authority to manage the account. Under such arrangements, we are authorized to perform various functions without your further approval. Such functions include the determination of the securities to be purchased/sold and the amount of securities to be purchased/sold. Once the portfolio is constructed, we provide continuous supervision and re-balancing of the portfolio as changes in market conditions and your circumstances require. In limited circumstances, we will implement unsolicited investment decisions requested by you in RASA account.

Effective 1/1/2005, the annual fee for portfolio management services is billed quarterly in advance based on the market value of the assets in your account on the last day of the preceding quarter. If you retained us prior to 01/01/2005, the annual fee for portfolio management services will be billed quarterly in arrears based on the value of the market value of assets in your account on the last day of the quarter. Fees will be assessed pro rata in the event the portfolio management agreement is executed at any time other than the first day of a calendar quarter, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. On an annualized basis, our fees for portfolio management services are based on the following negotiable tiered fee schedule

<b>Portfolio Size</b>	<b>Maximum Annual Fee</b>
-No-Load Account Management Fees:	
First \$150,000	2.00%
Next \$350,000	1.75%

Next \$500,000	1.00%
Over \$1,000,000	0.50%
-Annuities:	1.00%
-Individual Bonds:	0.50%

We may, at our discretion, negotiate the annual fee for clients whose portfolio value exceeds \$1 million dollars. Moreover, we may adjust the advisory fee for transactions where we or our principals receive compensation from other sources (i.e. commissions from the sale of investment products, such as variable investment products, among others). We reserve the right to determine whether the portfolio management fees will be waived or offset by a portion of the commissions earned from the purchase of loaded investment products in your accounts.

At our discretion, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values may increase the asset total, which may result in your paying a reduced advisory fee based on the available breakpoints in our fee schedule stated above.

We will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when the following requirements are met:

- You provide our firm with written authorization permitting the fees to be paid directly from your account held by the qualified custodian.
- We send you an invoice showing the amount of the fee, the value of the assets on which the fee is based, and the specific manner in which the fee was calculated.
- The qualified custodian agrees to send you a statement, at least quarterly, indicating all amounts dispersed from your account including the amount of the advisory fee paid directly to our firm.

We encourage you to reconcile our invoices with the statement(s) you receive from the qualified custodian.

You may terminate the portfolio management agreement upon 30 days' written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees. If you do not provide 30 days written notice, prior to terminating the agreement, you may be billed for the amount of day's notice that was not given in advance.

### **Financial Planning and Consulting Services**

We offer broad-based, modular, and consultative financial planning services to our clients and prospective clients. Financial planning will typically involve providing a variety of advisory services to clients regarding the management of their financial resources based upon an analysis of their individual needs. If you retain our firm for financial planning services, we will meet with you to gather information about your financial circumstances and objectives. Once we review and analyze the information you provide to our firm, we will deliver a written plan to you, designed to help you achieve your stated financial goals and objectives.

We also offer on-going financial planning services. These services include advice on existing or potential investment products, account re-balancing, and/or asset allocation, among others.

Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to our firm. You must promptly notify our firm if your financial situation, goals, objectives, or needs change.

You are under no obligation to act on our financial planning recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan through any of our other investment advisory services. Moreover, you may act on our recommendations by placing securities transactions with any brokerage firm.

We charge a fixed fee for financial planning services, which generally ranges between \$500 and \$5,000. The fee is negotiable depending upon the complexity and scope of the plan, your financial situation, and your objectives. When the scope of the financial planning services has been agreed upon, we will determine the applicable fee. We require that you pay an initial minimum retainer of one quarter (25%) of the estimated financial planning fee in advance of any services rendered. The remaining balance will be due and payable upon completion of the contracted service(s). In limited circumstances, the cost/time could potentially exceed the initial estimate. In such cases, we will notify you and request that you approve the additional fee.

For on-going financial planning, we charge a non-negotiable fee of \$1,000 per annum (\$250 per quarter) billed quarterly in advance. We will not require prepayment of a fee more than six months in advance and in excess of \$500.

We may also provide investment-related consulting services on 401(k) or other retirement plans where the plan assets are not held at Royal Alliance. Consulting services may include, but are not limited to, advice on existing or potential investment products, account re-balancing and/or asset allocation. We charge a negotiable fee \$250 per hour for consulting services. The fees for hourly consulting are due upon completion of the contracted services.

Should you decide to implement the plan using our portfolio management services; we may waive or offset a portion of the financial planning fee. We reserve the right to determine whether the financial planning fee will be waived or offset by the fees earned in the implementation process. The scope and complexity of the financial planning services that were provided will determine the waiver or offset of the fee.

You may terminate the financial planning agreement by providing written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the agreement. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

### **Types of Investments**

We primarily offer advice on mutual funds. We may also provide advice on equity securities, corporate debt securities, certificates of deposit, municipal securities, U.S. Government securities, and interest in partnerships investing in real estate.

You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

### **Assets Under Management**

As of December 31, 2012 we manage \$47,032,445 in client assets on a discretionary basis. We do not manage assets on a non-discretionary basis.

## Item 5 Fees and Compensation

Please refer to the "Advisory Business" section in this Brochure for information on our advisory fees, fee deduction arrangements, and refund policy according to each service we offer.

### **Additional Fees and Expenses**

Mutual fund investments in the programs that we offer are no-load or load at NAV. Your mutual fund investments may be subject to early redemption fees, 12b-1 fees and mutual fund management fees as well as other mutual fund expenses. These fees are in addition to the fees and expenses referenced above. Please review the mutual fund prospectus for full details.

In addition to providing advisory services, our Advisory Representatives may sell you securities products and other investment and insurance products in their capacity as registered representatives of Royal Alliance and as licensed insurance agents. We will receive additional compensation in connection with this activity and the amount of compensation will depend on the type of product purchased. We will have a greater financial incentive to sell certain products as opposed to others (for example, in the case of mutual funds those that have a higher 12b-1 fee than others). This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents/registered representatives have an incentive to recommend products to you for the purpose of generating commissions rather than solely based on your needs. While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we have to sell certain securities products and are encouraged to ask us about any conflict presented.

Please be aware that you are under no obligation to purchase products or services recommended by us or members of our firm in connection with providing you with any advisory service that we offer.

At our discretion, we may offset our advisory fees to the extent our Associated Persons earn commissions in their separate capacities as registered representatives and/or insurance agents.

We may recommend that you purchase variable annuities to be included in your investment portfolio(s). Persons providing investment advice on behalf of our firm may earn commissions on the sale of the variable annuities in his or her capacity as a registered representative of Royal Alliance. If these persons earn commission on the sale of variable annuities recommended to you, in our discretion, we may not include the annuity accounts in the total value used for our advisory billing/fee computation for a period of time, which may be up to two years after the annuity contract is sold. After the period, the value of the annuity sub accounts will be added to the value of your total assets for billing purposes. Annuities will be purchased for your account only after you receive a prospectus disclosing the terms of the annuity. You are under no obligation, contractually or otherwise, to purchase variable annuities through any person affiliated with our firm.

Any material conflicts of interest between you and our firm, or our employees are disclosed in this Disclosure Brochure. If at any time, additional material conflicts of interest develop, we will provide you with written notification of the material conflicts of interest or an updated Disclosure Brochure.

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

We do not accept performance-based fees or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees.

Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described in the *Advisory Business* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

## Item 7 Types of Clients

We offer investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

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

### Our Methods of Analysis and Investment Strategies

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

- **Fundamental Analysis** - Fundamental analysis involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.
- **Charting and Technical Analysis** - Charting analysis involves the gathering and processing of price and volume information for a particular security. This price and volume information is analyzed using mathematical equations. The resulting data is then applied to graphing charts, which is used to predict future price movements based on price patterns and trends. Technical Analysis involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks. The risk of market timing based on technical analysis is that charts may not accurately predict future price movements. Current prices of securities may reflect all information known about the security and day to day changes in market prices of securities may follow random patterns and may not
- **Cyclical Analysis** - Cyclical analysis is a type of technical analysis that involves evaluating recurring price patterns and trends. The risk of cyclical analysis is economic/business cycles may not be predictable and may have many fluctuations between long term expansions and contractions. The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.
- **Long Term Purchases** - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.
- **Short Term Purchases** - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short term price fluctuations.



Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

As a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Our firm uses the FIFO accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

### **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

### **Recommendation of Particular Types of Securities**

As disclosed under the "Advisory Business" section in this Brochure, we primarily recommend mutual funds. Mutual funds are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. The returns on mutual funds can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely which can dilute other investors' interests.

## **Item 9 Disciplinary Information**

We have been registered and providing investment advisory services since 2003. Neither our firm nor any of our management persons have any reportable disciplinary information.

## Item 10 Other Financial Industry Activities and Affiliations

We are affiliated with Newsholme Financial Services, Inc. ("NFS") and Newsholme Associates, Inc. ("NA") through common control and ownership. NFS provides accounting, tax and consulting services. NA is a licensed insurance broker. Donald Newsholme is also licensed as an insurance agent through Tower Financial, an unaffiliated insurance agency.

If you require accounting, tax and consulting services, we will recommend that you use NFS. If you purchase insurance through Newsholme Associates and/or Donald Newsholme, NA and Mr. Newsholme we will earn commission-based compensation. Fees for accounting, tax and consulting services and insurance commissions are separate from our advisory fees. Please see the "Fees and Compensation" section in this Brochure for more information on the compensation received for selling insurance.

These affiliations may present a conflict of interest because we may have a financial incentive to recommend our affiliates' services. While we believe that compensation charged by our affiliates are competitive, such compensation may be higher than fees charged by other firms providing the same or similar services. You are under no obligation to use our affiliates' services and may obtain comparable services and/or lower fees through other firms.

Representatives of our firm that provide advice to you ("Advisory Representatives") are associated with Royal Alliance Financial, Inc. ("Royal Alliance") as Registered Representatives. Royal Alliance is a diversified financial services company registered with the Financial Industry Regulatory Authority ("FINRA") as a broker-dealer engaged in the offer and sale of securities products. Our Advisory Representatives may recommend the purchase of securities offered by Royal Alliance. If you purchase these products through them, they will receive normal commissions which may be in addition to customary advisory fees. As such, Advisory Representatives may have an incentive to sell you commissionable products in addition to providing you with advisory services when such commissionable products may not be suitable. Alternatively, they may have an incentive to forego providing you with advisory services when appropriate, and instead recommend the purchase of commissionable investments, if they deem that the payout for recommending the purchase of these investments would be higher than providing management advice on these products for an advisory fee. Therefore, a conflict of interest may exist between their interests and your best interests.

While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we have to sell certain securities products and are encouraged to ask us about any conflict presented.

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

### Description of Our Code of Ethics

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also

required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Our Code of Ethics is available to you upon request. You may obtain a copy of our Code of Ethics by contacting Janet Newsholme Filangeri at 914-243-6700.

### **Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell securities for you at the same time we or persons associated with our firm buy or sell such securities for our own account. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our Associated Persons nor we shall have priority over your account in the purchase or sale of securities.

## **Item 12 Brokerage Practices**

As described in the Other Financial Industry Activities and Affiliations Section, our Advisory Representatives are also Registered Representatives of Royal Alliance, a FINRA registered broker-dealer. In order to meet its FINRA supervisory obligations, Royal Alliance requires that all investment advisory activities that we conduct be processed through Royal Alliance's clearing relationships with Pershing LLC ("Pershing"). As a result, we do not have the discretion to choose the broker-dealer or commission rates to be paid. However, we do believe that Pershing's blend of execution services, commission and transaction costs as well as professionalism will allow us to seek best execution and competitive prices.

### **Block Trades**

We do not combine multiple orders for shares of the same securities purchased for advisory accounts we manage (the practice of combining multiple orders for shares of the same securities is commonly referred to as "block trading"). Accordingly, you may pay different prices for the same securities transactions than other clients pay. Furthermore, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than other clients.

## **Item 13 Review of Accounts**

Donald Newsholme, President of Newsholme Financial Group, Inc., will monitor your accounts on an ongoing basis and will conduct account reviews at least annually or upon your request to ensure that the advisory services provided to you are consistent with your current investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to:

- contributions and withdrawals;
- year-end tax planning;
- market moving events;
- security specific events; and/or,
- changes in your risk/return objectives.

We will provide you with quarterly reports which detail the positions in your account. In addition, you will receive trade confirmations and monthly or quarterly statements from your account custodian(s).

Financial plans will be reviewed/updated on an as needed basis if you retain our firm for ongoing financial planning. Otherwise, we will not review and/or update your financial plan unless you specifically request. Such reviews/updates are subject to our regular hourly rate.

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

We do not compensate any persons for client referrals. Our Associated Persons may act as solicitors for Royal Alliance; an investment adviser registered with the Securities and Exchange Commission and may receive compensation when acting in this capacity. Full disclosure of the relationship between our firm, our investment adviser representatives and Royal Alliance will be made at the time of solicitation pursuant to Rule 206(4)-3 of the Investment Advisers Act of 1940.

As discussed previously, all our Advisory Representatives are Registered Representatives of Royal Alliance. This arrangement requires us to offer you advisory services and programs sponsored or approved by Royal Alliance. Royal Alliance sets limits on how much we can charge you for these advisory services. Some advisory programs have higher fee limits than others. As such, there may be an incentive for us to recommend to you advisory services or programs with higher limits. In addition, Royal Alliance may charge us certain usage fees and expenses to use their advisory programs which may decrease the amount of money we make when offering investment advice to you. Therefore, there may be an incentive to provide you with advisory programs and services that may be cheaper for us to use but not as suitable to your needs as other advisory programs that Royal Alliance sponsors which may be more expensive for us to use.

In addition, Royal Alliance offers our Advisory Representatives educational, training and incentive programs for those Advisory Representatives that meet certain sales production goals. There may be an incentive for us to manage your account in ways that assist us in meeting these production goals even if such strategies may not always be suitable for your account.

Our associated persons may from time to time attend due diligence conferences put on by various vendors and/or wholesalers. These conferences are sometimes open to associated persons of our firm at no cost to the firm.

While our firm and our associated persons endeavor at all times to put your interests first, as part of our fiduciary duty, you should be aware that receipt of additional compensation itself creates a potential conflict of interest.

## **Item 15 Custody**

We directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy. We will also provide statements to you reflecting the amount of advisory fee deducted from your account.

You should compare our statements with the statements from your account custodian(s) to reconcile the information reflected on each statement. If you have a question regarding your account statement or if you did not receive a statement from your custodian, please contact Janet Newsholme Filangeri at 914-243-6700.

## **Item 16 Investment Discretion**

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Please refer to the "Advisory Business" section in this Brochure for more information on our discretionary management services.

## **Item 17 Voting Client Securities**

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of common stock or mutual funds, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

## **Item 18 Financial Information**

In certain circumstances our Advisory Representatives may use investment discretion in your account, subject to your approval. We are well capitalized in full compliance with applicable regulations and do not foresee any financial conditions that may impair our fulfillment of reasonable obligations or contractual commitments to you.

## **Item 19 Requirements for State Registered Investment Advisers**

We are a federally registered investment adviser; therefore, we are not required to respond to this item.

## **Item 20 Additional Information**

### **Your Privacy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to

ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact Janet Newsholme at 914-243-6700 if you have any questions regarding this policy.

**Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a profit, you will keep the profit.