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Item 1 – Cover Page

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David M. Krug  
DMK Planning Ltd.  
P.O. Box 200  
Purchase, New York 10577  
914-997-1406  
March 22, 2012

This Brochure provides information about the qualifications and business practices of [David M. Krug](#). If you have any questions about the contents of this Brochure, please contact us at 914-997-1406. 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.

[David M. Krug](#) is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about [David M. Krug](#) also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## Item 2 – Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated [March 22, 2012](#) is a new document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

[In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.](#)

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary via a brochure supplement.

We will further provide you with a new Brochure or supplement as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting [David M. Krug, Chief Compliance Officer](#) at 914-997-1406..

Additional information about [David M. Krug](#) is also available via the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any persons affiliated with [David M. Krug](#) who are registered, or are required to be registered, as investment adviser representatives of [David M. Krug](#).

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Brochure Supplement(s)

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#### Item 4 – Advisory Business

Advisor offers financial planning and investment advisory services to its clients allowing the utilization of all investment vehicles that the advisor is licensed to offer. Financial planning is offered as an encompassing plan including all aspects of a client's financial picture. Advisor reviews all relevant financial documents of client and after review with client, the plan is implemented. Investment advice is given based upon the relevant factors determined in the financial plan which has been approved by the client. The recommended investments are offered to the client for purchase through the advisor or any outside vendor the client may choose. Clients may impose restrictions as to amount or avoidance of certain securities.

David M. Krug, owner 1955 DOB 3/82-present

DMK Planning Ltd.

86 Park Lane

P.O. Box 200

Purchase, N.Y. 10577

Nathan & Lewis Securities, Inc. 3/82-1/21/03

260 Madison Ave.

New York, N.Y. 10016

Registered representative

Branch manager

Cadaret Grant, Inc. 1/21/03-present

One Lincoln Center

Syracuse, N.Y. 13202

Registered representative

Branch manager

Degrees and courses

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Awarded RFC Registered financial consultant designation 5/1/2008

Attended Westchester Community College, Valhalla, N.Y.

Attended Manhattan College, Bronx, N.Y.

LUTC graduate, 1978

Courses completed

Personal and business insurance

Contractual designations

Business and estate planning

Basic annuity concepts

Retirement planning

Personal financial planning

Annuity features and benefits

Risk management

Biannual certification for life and health insurance

Annual compliance certification

Annual certification, National Association of Tax Preparers

Fellow, American Academy of Financial Management

MFP, Master Financial Professional, January 2011

RFC, Registered Financial Consultant, May 2008

Attended Westchester Community College, Valhalla, N.Y.

Attended Manhattan College, Bronx, N.Y.

As of the date of this brochure, March 22, 2012, the advisor has descretionary authority over \$25,500,000 of funds under management.

## **Item 5 – Fees and Compensation**

All fees are subject to negotiation.

### **Financial Planning Advice**

The fee for this service will be \$225.00 per hour, payable within 30 days after billing. This fee is solely based upon the financial planning advice. It does not include any commissions which might be generated upon implementation of the recommendations or advisory agreements.

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## Investment Advisory Services

Active direct management/trading of client portfolios adhering to investment criteria established between client and advisor. An advisory fee to be 2% of stock based assets under management, billed .5% quarterly in advance. Such fees may be in addition to 12b-1 distribution fees, and any commissions earned.

The specific manner in which fees are charged by David M. Krug is established in a client's written agreement with David M. Krug. David M. Krug will generally bill its fees on a quarterly basis. Clients may elect to be billed in advance or arrears each calendar quarter. Clients may also elect to be billed directly for fees or to authorize David M. Krug to directly debit fees from client accounts. Management fees shall [or shall not] be prorated for each capital contribution and withdrawal made during the applicable calendar quarter (with the exception of de minimis contributions and withdrawals). Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

Item 12 further describes the factors that David M. Krug considers in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

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

David M. Krug does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

## Item 7 – Types of Clients

David M. Krug provides portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, charitable institutions, foundations, endowments, municipalities, and trust programs.

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

Investment strategies are implemented after careful, in depth analysis of the needs and objectives of the client. A preliminary meeting is used to assess needs and available economic resources of the client. The final recommendation will include time frames for implementation of the investment recommendations. There is no formal review process. All plans and recommendation are reviewed with clients as dictated by economic and personal circumstances. Applicant also provides advice relative to tax and investment strategies. Investment advisory services are offered to clients to manage existing and future investment portfolios. The investment advisory recommendation may be implemented to supplement the plan agreed to between the advisor and the client. Analysis is offered in different levels of intensity. A client may have securities at other brokers other than or in addition to the advisor. In such case, the client may request that only specific securities may be managed by the advisor. Advisor offers variable annuities, fixed annuities, mutual funds, insurance products, and other investment vehicles that the advisor is licensed to offer. All investments have potential for the loss of principal. Variable annuities have the potential for lack of liquidity due to early withdrawal penalties and IRS imposed penalties. Mutual funds have potential for loss. Clients should be aware that " Investing in securities involves the risk of loss and clients should be prepared for such loss".

## Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of **David M. Krug** or the integrity of **David M. Krug's** management. **David M. Krug** has no information applicable to this Item. In 2006, David M. Krug was informed about a complaint filed against the advisor as well as the advisor's prior broker dealer. The case was settled without payment by the advisor. The advisor refuted all claims made by the claimant, but the legal team for the broker dealer involved settled without any input from the advisor.

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## Item 10 – Other Financial Industry Activities and Affiliations

Applicant is registered representative of Cadaret Grant, Inc. and as such sells security products.

Applicant is a licenses insurance agent in New York State .

Applicant is an income tax preparer and does corporate and personal tax returns.

## Item 11 – Code of Ethics

David M. Krug has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at David M. Krug must acknowledge the terms of the Code of Ethics annually, or as amended.

David M. Krug anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which David M. Krug has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which David M. Krug, its affiliates and/or clients, directly or indirectly, have a position of interest. David M. Krug's employees and persons associated with David M. Krug are required to follow David M. Krug's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of David M. Krug and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for David M. Krug's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of David M. Krug will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of David M. Krug's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by



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an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between **David M. Krug** and its clients.

**David M. Krug's** clients or prospective clients may request a copy of the firm's Code of Ethics by contacting David M. Krug

### **Item 12 – Brokerage Practices**

The advisor is a registered representative of Cadaret Grant, & Co., Inc. of Syracuse, N.Y. which is a member of SIPC and FINRA. Cadaret was selected as the broker dealer for securities transactions placed through the advisor. After a indepth and dilligent process of researching the broker dealers availble, Cadaret has proven to be a leader in all type of service, product selection, and use of technology which enhances the advisor's practice. Client's are not required to use Cadaret as there broker dealer. The advisor is engaged solely with Cadaret as it's broker dealer.

### **Item 13 – Review of Accounts**

Security accounts are evaluated based on the following criteria, listed by importance:

- 1) Prior performance compared to benchmark averages as dictated by client objectives.
- 2) Current market position or allocation of security.
- 3) Stability of price over set time frames.
- 4) Volatility of security as it applies to client situation.

Investment companies forward reports as required. Advisor mails annual compilations and at personal meetings. Reports are also forwarded as requested.

As per SEC rule 206(4), the advisor verifies the periodic evaluations of all assets with the issuer of such security prior to completing a compilation for the client.

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

Advisor does not offer compensation for referrals.

## **Item 15 – Custody**

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. David M. Krug urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## **Item 16 – Investment Discretion**

David M. Krug usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. Said authority is also incorporated into the advisory contract. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. At no time will David M. Krug have power of attorney over any client assets.

When selecting securities and determining amounts, David M. Krug observes the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies, David M. Krug's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions must be provided to David M. Krug in writing.

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### **Item 17 – Voting *Client* Securities**

As a matter of firm policy and practice, **David M. Krug** does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. **David M. Krug** may provide advice to clients regarding the clients' voting of proxies.

### **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about **David M. Krug's** financial condition. **David M. Krug** has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

### **Item 19 – Requirements for State-Registered Advisers**

Not required at time of this filing.