

MARCH 25, 2014

R.M. SINCERBEAUX CAPITAL MANAGEMENT, LLC  
1120 AVENUE OF THE AMERICAS, SUITE 4103  
NEW YORK NY 10036

---

This *brochure* provides information about the qualifications and business practices of R.M. SINCERBEAUX CAPITAL MANAGEMENT, LLC (RMSCM), an investment adviser registered with the United States Securities and Exchange Commission (the “SEC”). Registration with the SEC or with any state securities authority does not imply a certain level of skill or training. This information has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. Additional information about RMSCM also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). If you have any questions about the contents of this *brochure*, please contact us.

Tel: 212-626-6544  
Fax: 212-626-6543  
Email: [rmcapital@earthlink.net](mailto:rmcapital@earthlink.net)

---

## TABLE OF CONTENTS

Item 4.	Advisory Business.....	4
Item 5.	Fees and Compensation.....	5
Item 6.	<i>Performance-Based Fees</i> and Side-by-Side Management.....	6
Item 7.	Types of <i>Clients</i> .....	7
Item 8.	Methods of Analysis, Investment Strategies and Risk of Loss .....	8
Item 9.	Disciplinary Information.....	10
Item 10.	Other Financial Industry Activities and Affiliations .....	11
Item 11.	Code of Ethics, Participation or Interest in <i>Client</i> Transactions and Personal Trading.....	12
Item 12.	Brokerage Practices.....	13
Item 13.	Review of Accounts .....	14
Item 14.	<i>Client</i> Referrals and Other Compensation.....	15
Item 15.	Custody .....	16
Item 16.	Investment Discretion .....	17
Item 17.	Voting <i>Client</i> Securities .....	18
Item 18.	Financial Information.....	19
Item 19.	Requirements for State-Registered Advisers .....	20
Appendix:	Item 2. Material Changes.....	21

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

##### ***A. General Description of Advisory Firm***

R.M. Sincerbeaux Capital Management, LLC (RMSCM) is an investment adviser with its principal place of business in New York, New York. RMSCM commenced operations on April 10, 2007 and has been registered with the SEC since October 15, 2007. RMSCM is wholly owned by Richard M. Sincerbeaux.

##### ***B. Description of Advisory Services.***

RMSCM provides advisory services both on a *discretionary* and *non-discretionary basis* to its *clients*, who are primarily individuals and family groups. RMSCM works with each client, along with their attorneys and accountants to understand the totality of their investment needs. RMSCM helps determine asset allocations and investment strategies. With these considerations in mind, RMSCM assembles and manages suitable stock and bond portfolios.

##### ***C. Client Assets under Management.***

As of March 25, 2014, RMSCM managed Regulatory Assets of \$145,000,000 including \$109,000,000 under discretionary authority..

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

### ***A. Advisory Fees and Compensation.***

#### Asset-Based Compensation

RMSCM charges *clients* an investment advisory fee based on the value of *their* assets under management. While fees are negotiable, clients generally pay a fixed fee computed at an annual rate of 0.75% of the value of the net equity assets and 0.25% of the par value of the fixed income assets and cash reserves maintained in the account at quarter end. Assets are valued based on the fair market value for equities, par value for fixed income assets and the value of cash reserves. RMSCM deducts the investment management fee from client accounts by instructing the client's custodian, except IRA accounts, which are billed directly to the client. If a new client account is established during a quarter, the fee payable to the advisor will be based on the value of the assets under management at the end of the quarter pro-rated from the date of inception. If a client terminates their investment management agreement, the fee payable to the advisor is based on the value of the assets on the termination date, pro-rated for the number of days during the quarter.

### ***B. Other Fees and Expenses.***

In addition to paying investment management fees, *client* accounts may also be subject to other investment expenses not under the control of the adviser. These include items such as custodial charges, interest expenses, and the client's pro-rata share of the investment management fee and other fees inherent in the ownership of money market funds or mutual funds. RMSCM may charge a fee on money market funds held as a cash reserve but does not currently charge a fee on mutual fund holdings. Brokerage fees are addressed in **Item 12**.

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

RMSCM has policies intended to address conflicts of interest relating to the management of multiple accounts, including accounts with multiple fee arrangements, and the allocation of investment opportunities. The Adviser attempts to ensure that all accounts with similar objectives are treated equitably. In addition, the Adviser's procedures relating to the allocation of investment opportunities require that similarly managed accounts participate in investment opportunities pro rata based on asset size and require that, to the extent orders are aggregated, the *client* orders are price-averaged.

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

The Adviser's *clients* consist primarily of families and individuals along with their trusts and retirement accounts. The Adviser does not have any requirements for opening or maintaining an account.

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

### **A. Methods of Analysis and Investment Strategies.**

RMSCM uses fundamental research from multiple sources (including brokerage research, independent research, general business publications, SEC Filings, cable television business channels) to monitor the economy and to identify companies with attractive investment characteristics.

The Adviser employs the following investment strategies:

#### *Buy and Hold.*

RMSCM engages in a buy and hold investment strategy wherein RMSCM invests in a company's securities with the intention of holding them for a relatively long period of time, regardless of short-term factors such as fluctuations in the market or volatility of the stock price. Stock portfolios are assembled using a GARP (Growth at a Reasonable Price) approach. RMSCM attempts to take advantage of what are deemed to be temporarily depressed prices of quality growth companies when purchasing new holdings. RMSCM looks for companies with leading positions in growing industries and markets with strong balance sheets, cash flows, and profitability. There are no restrictions on the size of companies to be purchased, but most tend to be of large capitalization. RMSCM is a patient holder seeking long-term capital appreciation. Portfolio turnover is low. RMSCM is slow to realize capital gains, unless a stock is seriously over-valued, company or industry fundamentals have deteriorated, there is a need to fund a purchase of a more attractive investment, or a need to rebalance stock or asset allocation.

Bond portfolios are structured in a laddered format with bonds maturing periodically. As bonds mature, the funds are usually reinvested at the longest maturity. The laddered bond portfolio structure mutes the impact of changing levels of interest rates on the return of the bond portfolio and builds in dependable cash flows from coupon income and bond maturities.

*Option Trading.* RMSCM may engage in conservative option strategies, including the sale of covered calls or the purchase of protective puts. However, one must recognize that selling a covered call limits upside potential and the entire cost of buying a put may be lost.

### **B. Material Risks (Including Significant, or Unusual Risks) Relating to Investment Strategies.**

*Interest Rate Risks* Generally, the value of fixed-income securities changes inversely with changes in interest rates. As interest rates rise, the market value of fixed-income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed-income securities tends to increase. This risk is greater for long-term securities than for short-term securities.

*Issuer-Specific Changes* Changes in the financial condition of an issuer or counterparty, changes in specific economic or political conditions that affect a particular type of security or issuer, and changes in general economic or political conditions can increase the risk of default by an issuer or counterparty, which can affect a security's or instrument's value. The value of securities of smaller, less well-known issuers can be more volatile than that of larger issuers. Smaller issuers can have more limited product lines, markets, or financial resources.

*Lack of Diversification.* *Client* accounts will not be diversified among a wide range of types of securities, countries or industry sectors. Accordingly, *client* portfolios are subject to more rapid change in value than would be the case if the Adviser were required to maintain a wider diversification among types of securities and other instruments.

### **C. Risks Associated With Types of Securities that are Primarily Recommended (Including Significant, or Unusual Risks).**



**Equity Securities.** The value of equity securities fluctuates in response to issuer, political, market and economic developments. Fluctuations can be dramatic over the short as well as long term, and different parts of the market and different types of equity securities can react differently to these developments. For example, large cap stocks can react differently from small cap stocks, and "growth" stocks can react differently from "value" stocks. Issuer, political, or economic developments can affect a single issuer, issuers within an industry or economic sector or geographic region, or the market as a whole. Changes in the financial condition of a single issuer can impact the market as a whole. Terrorism and related geopolitical risks have led, and may in the future lead, to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally.

**Fixed-Income and Debt Securities.** Investment in fixed-income and debt securities such as bonds, notes and asset-backed securities, subject a *client's* portfolios to the risk that the value of these securities overall will decline because of rising interest rates. Similarly, portfolios that hold such securities are subject to the risk that the portfolio's income will decline because of falling interest rates. Investments in these types of securities will also be subject to the credit risk created when a debt issuer fails to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that debt to decline. Lastly, investments in debt securities will also subject the investments to the risk that the securities may fluctuate more in price, and are less liquid than higher-rated securities because issuers of such lower-rated debt securities are not as strong financially, and are more likely to encounter financial difficulties and be more vulnerable to adverse changes in the economy.

**Non-U.S. Securities.** Foreign securities, foreign currencies, and securities issued by U.S. entities with substantial foreign operations can involve additional risks relating to political, economic, or regulatory conditions in foreign countries. These risks include fluctuations in foreign currencies; withholding or other taxes; trading, settlement, custodial, and other operational risks; and the less stringent investor protection and disclosure standards of some foreign markets. All of these factors can make foreign investments, especially those in emerging markets, more volatile and potentially less liquid than U.S. investments. In addition, foreign markets can perform differently from the U.S. market.

**REITs.** REITs in which the Adviser invests *client* accounts are affected by underlying real estate values, which may have an exaggerated effect to the extent that REITs in which the Adviser invests concentrate investments in particular geographic regions or property types. Investments in REITs are also subject to the risk of interest rate volatility. Further, rising interest rates will cause investors in REITs to demand a higher annual yield from future distributions, which will in turn decrease market prices for equity securities issued by REITs. REITs are subject to risks inherent in operating and financing a limited number of projects because they are dependent upon specialized management skills, and have limited diversification. REITs depend generally on their ability to generate cash flow to make distributions to investors.

**Item 9. Disciplinary Information**

This Item is inapplicable

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

Item 10 is inapplicable.

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

**A. Code of Ethics.** The Adviser has adopted a Code of Ethics (the “Code”) that obligates the Adviser and its *related persons* to put the interests of the Adviser’s *clients* before their own interests and to act honestly and fairly in all respects in their dealings with *clients*. All of the Adviser’s personnel are also required to comply with applicable federal securities laws. *Clients* or prospective *clients* may obtain a copy of the Code by contacting Richard M. Sincerbeaux (Chief Compliance Officer) by email at [rmscapital@earthlink.net](mailto:rmscapital@earthlink.net), or by telephone at 212-626-6544. The Adviser and/or his employees may own securities owned by clients. If it is deemed that a co-owned security is to be sold for fundamental reasons, all client positions are liquidated prior to the sale by the adviser and his employees. Similarly, all client purchases would occur before purchases by the adviser or his employees.

## Item 12. Brokerage Practices

### A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions.

Generally RMSCM does not recommend specific broker-dealers. Most clients custody their securities with one (1) broker. However, the adviser does monitor the executions of transactions through the broker-dealer custodian. It is not the Adviser's practice to negotiate "execution only" commission rates, thus a *client* may be deemed to be paying for research, brokerage or other services provided by a broker-dealer which are included in the commission rate.

#### 1. Research and Other Soft Dollar Benefits.

The Adviser receives research or other products or services other than execution from the client custodian brokers in connection with client securities transactions. This is known as a "soft dollar" relationship. The Adviser will limit the use of "soft dollars" to obtain research and brokerage services to services that constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934 ("Section 28(e)"). Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from broker-dealers on order execution; and certain proxy services. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self regulatory organization such as comparison services, electronic confirms or trade affirmations.

The use of *client* commissions (or markups or markdowns) to obtain research and brokerage products and services raises conflicts of interest. For example, the Adviser will not have to pay for the products and services itself. This creates an incentive for the Adviser to select or recommend a broker-dealer based on its interest in receiving those products and services. As a practical matter, the low turnover of securities in RMSCM managed accounts results in modest commission and execution expense.

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

#### **A. Frequency and Nature of Review.**

RMSCM monitors client portfolios on a continuous basis. Matters considered include the performance of each client account in view of current market conditions, the economic outlook and the determination of whether individual security positions should be adjusted or new securities added.

#### **B. Content and Frequency of Regular Account Reports.**

All clients receive detailed monthly statements, including performance reports, from their custodian broker.

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

The Adviser receives certain research or other products or services from broker-dealers through “soft-dollar” arrangements. These “soft-dollar” arrangements create an incentive for the Adviser to select or recommend broker-dealers based on the Adviser’s interest in receiving the research or other products or services and may result in the selection of a broker-dealer on the basis of considerations that are not limited to the lowest commission rates and may result in higher transaction costs than would otherwise be obtainable by the Adviser on behalf of its clients. Please see Item 12 for further information on the Adviser’s “soft-dollar” practices, including the Adviser’s procedures for addressing conflicts of interest that arise from such practices.

**Item 15. Custody**

All RMSCM client securities and cash reserves are held in brokerage custody accounts. Clients receive detailed monthly statements directly from their brokers. The monthly statements show all security and cash activity along with an update of their account's performance.

The quarterly investment management fees are paid to RMSCM by the custodian broker upon receipt of a copy of the quarterly invoice. IRA accounts however are billed directly to clients and paid by the client so they can avoid depleting their retirement accounts.



## Item 16. *Investment Discretion*

RMSCM provides investment advisory services on a discretionary and non-discretionary basis to clients. Currently \$109,000,000 of \$145,000,000 of Regulatory Assets are managed under discretionary authority pursuant to an investment management agreement.

Unless otherwise instructed or directed by a discretionary *client*, RMSCM has the authority to determine (i) the securities to be purchased and sold for the *client* account (subject to restrictions on its activities set forth in the applicable investment management agreement and any written investment guidelines) (ii) the amount of securities to be purchased or sold for the *client* account. Because of the differences in *client* investment objectives and strategies, risk tolerances, tax status and other criteria, there may be differences among *clients* in invested positions and securities held. . RMSCM may consider the following factors, among others, in allocating securities among *clients*: (i) *client* investment objectives and strategies; (ii) *client* risk profiles; (iii) tax status and restrictions placed on a *client's* portfolio by the *client* or by applicable law; (iv) size of the *client* account; (v) nature and liquidity of the security to be allocated; (vi) size of available position; (vii) current market conditions; and (viii) account liquidity, account requirements for liquidity and timing of cash flows. Although it is the Adviser's policy to allocate investment opportunities to eligible *client* accounts on a pro rata basis (based on the value of the assets of each participating account relative to value of the assets of all participating accounts), these factors may lead the Adviser to allocate securities to *client* accounts in varying amounts. Even *client* accounts that are typically managed on a *pari passu* basis may from time to time receive differing allocations of securities based on total assets of each account eligible to invest in the particular investment type (e.g., equities) divided by the total assets of all accounts eligible to invest in the particular investment.

*RMSCM does not typically participate in IPOs or secondary offerings.* However if the adviser were to participate in initial public offerings (IPOs) and secondary offerings allocations would be made in client accounts eligible to participate, on a pro rata basis, except when the Adviser determines in its discretion that a pro rata allocation is not appropriate, which may include a *client's* investment guidelines explicitly prohibiting participation in IPOs or secondary offerings and a *client's* status as a "restricted person" under applicable regulations.

If it appears that a trade error has occurred, the Adviser will review the relevant facts and circumstances to determine an appropriate course of action. To the extent that trade errors and breaches of investment guidelines and restrictions occur, the Adviser's error correction procedure is to ensure that *clients* are treated fairly and, following error correction, are in the same position they would have been if the error had not occurred. The Adviser has discretion to resolve a particular error in any appropriate manner that is consistent with the above stated policy. In the event that a *client* account incurs a trade error as a result of the Adviser's gross negligence, willful misconduct, or fraud, trade errors will be corrected by the Adviser as soon as practicable, in a manner such that the *client* incurs no loss. Trade errors that result other than by breach of the standard of care above are borne by the *client* account.

**Item 17. *Voting Client Securities***

A. Policies and Procedures Relating to Authority to Vote Client Securities.

Clients receive proxies directly from their custodian brokers. Upon request, RMSCM will vote client proxies, will advise clients how to vote, and arrange for email proxies to be sent to clients.

**Item 18. Financial Information**

This Item is not applicable.

**Item 19. Requirements for State-Registered Advisers**

This item is inapplicable.

## **Appendix: Item 2. Material Changes**

There are no material changes.

***Brochure Supplement***

**RICHARD M. SINCERBEAUX**

**March 25, 2014**

**R.M. SINCERBEAUX CAPITAL MANAGEMENT, LLC  
1120 Avenue of the Americas, Suite 4103, New York NY 10036  
Tel: 212-626-6544, Fax: 212-626-6543  
Email: [rmscapital@earthlink.net](mailto:rmscapital@earthlink.net)**

**RICHARD M. SINCERBEAUX**

This *brochure supplement* provides information about Richard M. Sincerbeaux that supplements the R.M. Sincerbeaux Capital Management, LLC *brochure*. You should have received a copy of that *brochure*. Please contact Richard M. Sincerbeaux, Managing Member if you did not receive the R.M. Sincerbeaux Capital Management, LLC's *brochure* or if you have any questions about the contents of this supplement.

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

Richard M. Sincerbeaux is the Managing Member and sole proprietor of R.M. Sincerbeaux Capital Management LLC, which he formed in April 2007. He was born in 1941 and in 1964 graduated from Princeton University with a BA degree. Before the formation of R.M. Sincerbeaux Capital Management, Richard was a Vice President of the Investment Management Division of Goldman Sachs. Richard began his forty year career with Goldman Sachs as a broker in the Securities Sales Division. There, he gained broad investment experience, working with sophisticated individual and institutional investors. Over the years as the Securities Sales division became the Private Client Services Division, and then became part of the Investment Management Division, he concentrated on managing stock and bond portfolios for his individual clients and their families.

Richard M. Sincerbeaux is a sole practitioner and is not subject to supervision. However, he is subject to the compliance policies and procedures of R.M. Sincerbeaux Capital Management, LLC.