

**FORM ADV PART 2A BROCHURE**

**November 2, 2017**

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This Brochure provides information about the qualifications and business practices of Spoor, T. Richard (hereinafter “Spoor”). If you have any questions about the contents of this Brochure, please contact us at 860.435.1211 or at trichardspoor@hotmail.com. Currently, our Brochure may be requested free of charge by contacting Richard Spoor, Sole Proprietor, at (860) 435-1211 or trichardspoor@hotmail.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.

Spoor 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 Spoor also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for Spoor is 146486.

## **Item 2 – Material Changes**

This Item of the Brochure will discuss only specific material changes that are made to the Brochure since the last annual update and provide clients with a summary of such changes. The last annual update of our brochure was March 10, 2017. This update contains an address change to the principal place of business.

(Brochure Date: November 2, 2017)

(Date of Most Recent Annual Updating Amendment: March 10, 2017)

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

Currently, our Brochure may be requested by contacting Richard Spoor, Sole Proprietor and Chief Compliance Officer, at (860) 435-1211.

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## **Item 4 – Advisory Business**

Spoor provides investment management and financial planning services to clients. Spoor is owned by T. Richard Spoor, as Sole Proprietor, and has been providing advisory services since April, 2008. As of December 31, 2016, Spoor managed approximately \$62 million on a discretionary basis and \$41 million on a non-discretionary basis. Although Spoor attempts to be proactive in adjusting a client's strategies, each client is responsible for updating us should their situation change or should they wish to receive a review of certain financial planning topics.

### **PORTFOLIO MANAGEMENT SERVICES**

Spoor provides continuous, customized discretionary investment management services to high net worth individuals and trusts. Spoor will create a portfolio typically consisting of individual equities, bonds and on occasion mutual funds, although other investment products may be utilized if appropriate for a client. Spoor will allocate the client's assets among various investments taking into consideration the overall management style selected by the client. Clients will have the opportunity to place reasonable restrictions on the types of investments to be utilized in an account, and will retain individual ownership of all securities.

Spoor adjusts its overall strategy based on client discussions or general economic conditions that may warrant a change in the overall strategy. While we strive to provide a high level of service, it is always possible that lower fees for comparable services may be available from other sources.

### **FINANCIAL PLANNING**

Spoor also provides advice in the form of a financial plan to its portfolio management clients. However, financial planning is not available as an individual service; it is only available in conjunction with portfolio management. Spoor gathers required information through in-depth personal interviews. Information gathered includes a client's current financial status, future goals and attitudes towards risk. Related documents supplied by the client are carefully reviewed and a report is prepared.

We may also provide clients advice on a variety of non-inclusive financial planning topics, typically focused on the following areas:

- Asset allocation planning

- Retirement planning
- Estate Planning
- Risk Management
- Tax advice and planning

Depending on the client, we may determine which services are appropriate based on discussions about goals and needs.

Financial planning recommendations are not limited to any specific product or service offered by a broker dealer or insurance company. All recommendations are of a generic nature. Spoor will also review a client's financial plan on a periodic basis and provide an updated financial plan to the client.

### **Item 5 – Fees and Compensation**

Fees for our Portfolio Management and Financial Planning services will be charged as a fixed fee, typically ranging from \$2,000 to \$25,000 per annum, depending on the complexity of the client's circumstances and account size. This annual fixed fee includes both portfolio management and financial planning services. Spoor 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 Spoor to directly debit fees from client accounts. The specific manner in which fees are charged by Spoor is established in a client's written agreement with Spoor. 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 Spoor considers in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

Each client fee schedule is negotiated with Spoor within this range, on a client-by-client basis. Client facts, circumstances and needs determine the fee schedule. These include the complexity of the client's account, assets to be placed under management, portfolio style, reports and other factors. The specific annual fee schedule will be identified in the contract between Spoor and each client.

Clients will be invoiced or their account directly debited, as authorized, in advance on a quarterly basis. Spoor will not directly debit any client account without receiving written authorization from the client.

## **General Information**

**Negotiability of Fees:** In certain circumstances, all fees and account minimums may be negotiable. In addition, certain family members and personal acquaintances of Spoor may receive advisory services at a discounted rate which is not available to advisory clients generally.

**Fee Calculation:** The fee charged is calculated as described above and is not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client (Section 205(a)(1) of the Advisers Act).

**Termination:** A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement.

**Other Fees and Expenses:** Spoor's advisory fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Spoor's fee, and Spoor does not receive any portion of these commissions, fees, and costs.

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

Spoor 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**

Spoor provides portfolio management and financial planning services to high net worth individuals and trusts. Spoor does not require a minimum account size for its advisory services.

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

We typically utilize fundamental analysis in determining which individual securities to purchase for clients and the general timing of purchasing or selling those securities. We attempt to gain a thorough understanding of its clients risk tolerance and time horizon to help them create a mutually agreed upon asset allocation. We then work with the client to implement and monitor the overall allocation and manage any accounts that a client directs should come under our discretionary control.

### **Risks:**

Investing in securities involves risk of loss that clients should be prepared to bear.

Spoor may invest, from time to time, in options and derivative instruments, including buying and writing puts and calls on some of the securities held by client accounts in an attempt to supplement income derived from those securities. The prices of many derivative instruments, including many options and swaps, are highly volatile. The value of options and swap agreements depend primarily upon the price of the securities, indexes, commodities, currencies or other instruments underlying them. Price movements of options contracts and payments pursuant to swap agreements are also influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The cost of options is related, in part, to the degree of volatility of the underlying securities, currencies or other assets. Accordingly, options on highly volatile securities, currencies or other assets may be more expensive than options on other investments.

Put options and call options typically have similar structural characteristics and operational mechanics regardless of the underlying instrument or asset on which they are purchased or sold. A put option gives the purchaser of the option, upon payment of a premium, the right to sell, and the writer the obligation to buy, the underlying security, commodity, index, currency or other instrument or asset at the exercise price. A call option, upon payment of a premium, gives the purchaser of the option the right to buy, and the seller the obligation to sell, the underlying instrument at the exercise price. If a put or call option purchased on behalf of a client account by Spoor were permitted to expire without being sold or exercised, the client account would lose the entire premium it paid for the option. The risk involved in writing a put option is that there could be a decrease in the market value of the underlying instrument or asset caused by rising interest rates or other factors. If this occurred, the option could be exercised and the underlying instrument or asset would then be sold on behalf of the client account at a higher price than its current

market value. The risk involved in writing a call option is that there could be an increase in the market value of the underlying instrument or asset caused by declining interest rates or other factors. If this occurred, the option could be exercised and the underlying instrument or asset would then be sold on behalf of the client account at a lower price than its current market value.

Purchasing and writing put and call options and, in particular, writing “uncovered” options are highly specialized activities and entail greater than ordinary investment risks. In particular, the writer of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying instrument or asset above the exercise price of the option. This risk is enhanced if the instrument or asset being sold short is highly volatile and there is a significant outstanding short interest. These conditions exist in the stocks of many companies. The instrument or asset necessary to satisfy the exercise of the call option may be unavailable for purchase except at much higher prices. Purchasing instruments or assets to satisfy the exercise of the call option can itself cause the price of the instruments or assets to rise further, sometimes by a significant amount, thereby exacerbating the loss. Accordingly, the sale of an uncovered call option could result in a loss by the client account of all or a substantial portion of its assets.

Swaps and certain options and other custom instruments are subject to the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty.

The mutual funds and ETFs utilized by Spoor may include funds invested in domestic and international equities, including real estate investment trusts (REITs), corporate and government fixed income securities and commodities. Equity securities may include large capitalization, medium capitalization and small capitalization stocks. Mutual funds and ETF shares invested in fixed income securities are subject to the same interest rate, inflation and credit risks associated with the underlying bond holdings.

As referenced below under Item 10, Spoor may recommend that certain clients consider investing in a private hedge fund of funds managed by an affiliate, SP Partners. Spoor clients that decide to invest in the private hedge fund of funds should understand that a limited market exists for the sale of fund of fund investments, and the transferability of fund investments is generally restricted. Investors in the fund of funds may not be able to transfer their interest fund.



## **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 Spoor or the integrity of Spoor’s management. Spoor has no information applicable to this Item.

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

Spoor is affiliated through ownership and control with SP Partners, an SEC-registered investment adviser that manages Sigma Partners, LP (“Sigma”), a private fund of funds. In addition, Richard Spoor is also a General Partner of Sigma. If Spoor believes that the Sigma is suitable for an advisory client, and if the client meets the accreditation standards required for an investment in Sigma, Spoor may recommend an investment in Sigma to clients, but any actual investment in the (affiliated) private fund of funds is entirely at the client’s discretion. For any Spoor advisory clients that are invested in Sigma, Richard Spoor receives management fees allocable to such Spoor client investment in Sigma (but does not share in any performance-based fee received by SP Partners). Clients should understand that this creates a conflict of interest in that Richard Spoor is incentivized through the receipt of such management fees to recommend Sigma as an investment option over other investment options in which Mr. Spoor does not receive any compensation.

Additional information about Sigma such as the fees charged to its shareholders are included in the offering documents provided to prospective investors. Because these types of investments involve certain additional degrees of risk, they will only be recommended when consistent with the client’s stated investment objectives, tolerance for risk, liquidity and suitability. Investment in Sigma is limited to “accredited investors” as defined in Regulation D of the Securities Exchange Act of 1933.

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

Spoor 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 Spoor must acknowledge the terms of the Code of Ethics annually, or as amended.

Spoor anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Spoor has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Spoor, its affiliates and/or clients, directly or indirectly, have a position of interest. Spoor's employees and persons associated with Spoor are required to follow Spoor's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Spoor and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Spoor's clients.

The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Spoor 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 Spoor'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 an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Spoor and its clients.

Certain proprietary accounts of Richard Spoor's may trade in the same securities with client accounts on an aggregated basis when consistent with Spoor's obligation of best execution. In such circumstances, the proprietary and client accounts will share commission costs equally and receive securities at a total average price. Spoor will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

Spoor's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Richard Spoor, Sole Proprietor and Chief Compliance Officer, at the main office address.

## **Item 12 – Brokerage Practices**

As Spoor does not have the discretionary authority to determine the broker dealer to be used or the commission rates to be paid, clients must direct Spoor as to the broker dealer to be used. In directing the use of a particular broker or dealer, it should be understood that Spoor will not have authority to negotiate commissions among various brokers or obtain volume discounts, and best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to the client and those charged to other clients.

For clients in need of brokerage or custodial services, and depending on client circumstances and needs, Spoor may recommend the use of Deutsche Bank, Merrill Lynch or Credit Suisse Securities. We have evaluated these custodians/brokers and believe that they will provide our clients with an appropriate blend of execution services, commission costs and professionalism.

### **How We Select Brokers/Custodians to Recommend?**

We seek to select a custodian/broker who will hold your assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for the custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, and stability
- Prior service to us and our other clients
- Availability of other products and services that benefit us, as discussed below

We generally trade through the directed custodian/broker regardless of whether a client has an active prime brokerage agreement in place allowing us to use outside brokers. As a result it should be understood that we will likely not negotiate commissions or obtain volume discounts beyond those already offered by the custodian/broker. We believe that, given the additional costs of using outside brokers along with our own custodians' resources and commitment to providing appropriate execution, we are fulfilling our obligation to seek best execution by trading directly through them. In addition, we independently review the execution of the custodians on a periodic basis and also review their own internal documentation of their trading capabilities. Spoor clients must, however, evaluate these brokers before opening an account. Although clients may have selected a custodian/broker and we generally trade through their designated broker, we will not trade through the custodian/broker if we reasonably believe that it may result in a breach of our fiduciary duty. For example, we may use an outside broker for fixed income transactions if we think it is in the client's best interests and if the client has executed a prime brokerage agreement. Please note that because we will be executing most if not all transactions through the directed custodian/broker, a disparity may exist between the commissions borne by your account and the commissions borne by our other clients that direct us to use another particular broker-dealer. While we are comfortable in the custodians we utilize, you should note that some differences may exist based on the assets our clients maintain at each. You may forego benefits that we may be able to obtain for other clients through, for example, negotiating volume discounts or block trades if your assets are held at one of our smaller custodial relationships. This may come into play if you are part of a smaller group at one custodian while we have a larger number of clients at a different custodian.

### **Your Brokerage and Custody Costs**

For our clients' accounts that the broker/custodian maintains, they generally do not charge you separately for custody services but are compensated by charging you commissions or other fees on trades that it executes or that settle into your account. In addition, the custodian/broker may charge you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs and because of the execution we think our custodians prove, we execute most trades for your account through the custodian.

We have determined that having your custodian execute most trades is consistent with our duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above.

Clients may request that brokerage transactions to be directed to a particular broker or dealer other than Deutsche Bank, Merrill Lynch or Credit Suisse Securities. However, if Spoor believes that the use of that broker dealer would hinder Spoor in meeting its fiduciary obligations, Spoor will not be able to accept the account.

We may engage in “block trading” when advantageous to clients. This means that we purchase a large block of shares and then allocate those shares among the participating client accounts. Regarding aggregated “block trades,” we operate so that no advisory account will be favored over any other account participating in the aggregated order. All clients participating in the aggregated order shall receive an average share price with all other transaction costs shared based on their participation in the trade within the same group of clients at the same custodian.

It is Spoor’s policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Spoor will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction.

Spoor does not receive any products or services on a “soft dollar” basis.

### **Item 13 – Review of Accounts**

**Reviews:** While the underlying securities within Portfolio Management accounts are continuously monitored, these accounts are reviewed at least quarterly by Richard Spoor, Sole Proprietor. Accounts are reviewed in the context of each client’s stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client’s individual circumstances, or the market, political or economic environment.

**Reports:** Each client receives monthly statements and confirmations of transactions from their designated broker dealer/custodian. Spoor does not provide any additional reports unless contracted for at the inception of the advisory relationship.

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

Spoor may receive research reports from various broker dealers. The receipt of such reports is not directly connected to the recommendation of brokerage/custody services to advisory clients, but does create a possible conflict of interest of which clients should be aware in assessing Spoor's recommendation of a particular custodian.

Spoor does not engage in soft dollar arrangements with any broker in which it receives research or other benefits from a broker in exchange for paying higher commission costs. All clients are responsible for their own commission rates, as discussed above.

#### **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. Spoor urges each client to carefully review statements. Spoor does not maintain custody of client funds or securities.

#### **Item 16 – Investment Discretion**

Spoor 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. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, Spoor observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to Spoor in writing.

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

As a matter of firm policy and practice, Spoor 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. Spoor may, however, if requested, provide advice to clients regarding the clients' voting of proxies.

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

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

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about the adviser's financial condition. Spoor 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.