

# Mark J. Snyder Financial Services, Inc.

SEC File Number: 801 – 38888

## Brochure Dated March 30, 2012

Contact: Mark J. Snyder, Chief Compliance Officer  
1731 N. Ocean Ave  
Medford, New York 11763  
[www.markjsnyder.com](http://www.markjsnyder.com)

This brochure provides information about the qualifications and business practices of Mark J. Snyder Financial Services, Inc. If you have any questions about the contents of this brochure, please contact us at (631) 289-4224 or [mark@markjsnyder.com](mailto:mark@markjsnyder.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 the Registrant is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

References herein to Mark J. Snyder Financial Services, Inc. as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.

## **Item 2           Material Changes**

There have been no material changes made to Mark J. Snyder Financial Services, Inc.'s disclosure statement since last year's Annual Amendment filing on March 26, 2011.

## **Item 3           Table of Contents**

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

#### Item 4            Advisory Business

- A. Mark J. Snyder Financial Services, Inc. (the “Registrant”) is a corporation formed on March 5, 1991 in the state of New York. The Registrant became registered as an Investment Adviser Firm in March 5, 1991. The Registrant is principally owned by Mark J. Snyder. Mark J. Snyder is the company’s President.
- B. As discussed below, the Registrant offers to its clients (individuals, business entities, trusts, estates and charitable organizations, pension and profit sharing plans, etc.) investment advisory services and retirement consulting services (if requested). Registrant **does not** provide comprehensive financial planning or related consulting services. To the extent specifically requested by a client, Registrant may provide limited financial planning consulting services. Any such consultation services, to the extent rendered, shall be rendered exclusively on an unsolicited basis, for which Registrant may determine to charge a mutually agreed upon fixed or hourly separate fee.

#### INVESTMENT ADVISORY SERVICES

The client can determine to engage the Registrant to provide discretionary investment advisory services on a wrap or non-wrap *fee* basis. (*See* discussion below). If a client determines to engage the Registrant on a wrap fee basis the client will pay a single fee for bundled services (i.e. investment advisory, brokerage, custody). The services included in a wrap fee agreement will depend upon each client’s particular need. If the client determines to engage the Registrant on a non-wrap fee basis the client will select individual services on an unbundled basis, paying for each service separately (i.e. investment advisory, brokerage, custody).

#### NON-WRAP FEE BASIS

The client can determine to engage the Registrant to provide discretionary investment advisory services on a *fee* basis. The Registrant’s annual investment advisory fee shall be based upon a percentage (%) of the market value and type of assets placed under the Registrant’s management (between 1.60% and negotiable) to be charged quarterly in advance, as follows:

Assets Under Management	Annual Fee Non-Qualified	Annual Fee Qualified
\$50,000 - \$100,000	1.40%	1.6%
\$100,001 - \$250,000	1.30%	1.5%
\$250,001 - \$500,000	1.20%	1.4%
\$500,001 - \$750,000	1.10%	1.3%
\$750,001 - \$1,000,000	1.00%	1.2%
\$1,000,001 - \$1,500,000	.80%	1.0%
\$1,500,001 - \$2,000,000	.70%	.90%
over \$2,000,000	.50%	.70%

## **RASA**

Registrant may also recommend that certain clients invest all or a portion of their assets in the RASA program (Royal Advisory Services Account) offered through Royal Alliance Association, Inc. (“*Royal*”). Under the RASA program, the Registrant’s President may offer clients the option of a *fee-only* account through which certain no-load mutual funds (with and without transaction fees), load mutual funds at net asset value, and individual stocks and bonds may be purchased and managed. The annual management fee for RASA program clients shall be negotiable at the Registrant’s discretion, but shall generally follow the fee schedule outlined earlier in this Item 4.B. RASA clients shall incur transaction charges pursuant to a fixed schedule for trade execution determined by *Royal*. In addition to the investment management fee and transaction charges, the client, relative to all mutual fund purchases, will also incur charges imposed at the mutual fund level (e.g. management fees and other fund expenses).

The investment management fee charged for the Tactical Program will generally follow the below schedule:

<b>Assets Under Management</b>	<b>Annual Fee Non-Qualified</b>	<b>Annual Fee Qualified</b>
\$50,000 - \$100,000	2.15%	2.35%
\$100,001 - \$250,000	2.05%	2.25%
\$250,001 - \$500,000	1.95%	2.15%
\$500,001 - \$750,000	1.85%	2.05%
\$750,001 - \$1,000,000	1.75%	1.95%
\$1,000,001 - \$1,500,000	1.55%	1.75%
\$1,500,001 - \$2,000,000	1.45%	1.65%
over \$2,000,000	1.25%	1.45%

## **WEALTH MANAGEMENT PROGRAM**

The Registrant also offers its clients the Wealth Management Program (the “Program”), sponsored by Royal Alliance Associates, Inc. (“*Royal*”). The services offered under, and the corresponding terms and conditions pertaining to, the Program are discussed in the Royal Wrap Fee Program Brochure a copy of which is presented to all prospective Program participants. Under the Program, the Registrant is able to offer participants discretionary investment management services, for a single specified annual Program fee, inclusive of trade execution, custody, reporting, and investment management fees. The current annual Program fee charges a maximum of 2.50% depending upon the amount and type of the Program assets. The complete schedule of program fees is set forth in the Wrap Fee Program Brochure created by *Royal* and provided by the Registrant to its clients prior to or concurrent with their engagement in the Program.

The Program provides comprehensive investment management of client assets through the provision of web based asset allocation tools, as well as execution, clearing and custodial services. With respect to its asset allocation services, the Program utilizes Ibbotson Associates to provide clients access to risk tolerance assessment, efficient frontier plotting, fund profiling and performance data, as well as portfolio optimization and re-balancing tools.

The Program may be offered by the Registrant on a 1) *Discretionary Trading Basis* or 2) *Discretion Limited To Maintenance Of The Initial Agreed Upon Asset Allocation*. In an account with Discretionary Trading, Registrant may purchase or sell load waived, no-load mutual funds and other equity and debt securities for accounts not included in the initial asset allocation, without obtaining specific client approval for each transaction. In an account with *Discretion Limited To Maintenance Of The Initial Agreed Upon Asset Allocation*, the Registrant will only purchase or sell securities which have been approved by clients in advance. The Registrant will initiate an initial asset allocation with the client's prior review and approval. However, the Registrant may rebalance the account to maintain the initial agreed upon asset allocation, without prior client consent.

The terms and conditions for client participation in the Program are set forth in detail in the Royal Wrap Fee Program Brochure, which is presented to all prospective Program participants in accordance with the disclosure requirements of Part 2A Appendix 1 of Form ADV. The Royal Wrap Fee Program Brochure is incorporated into this Brochure by reference. All prospective Program participants should read both the Registrant's Brochure and the Royal Wrap Fee Program Brochure, and ask any corresponding questions that they may have, prior to participation in the Program. *Royal* shall serve as the custodian for Program accounts.

**Please Note:** As indicated in the Royal Wrap Fee Program Brochure, participation in the Program may cost more or less than purchasing such services separately. As also indicated in the Royal Wrap Fee Program Brochure, the Program fee charged by Registrant for participation in the Program may be higher or lower than those charged by other sponsors of comparable wrap fee programs

**Unaffiliated Private Investment Funds.** Registrant may provide investment advice regarding unaffiliated private investment funds with respect to public and/or private real estate investment trusts and/or products that invest in real estate, securities, commodities and/or futures. The Registrant's role relative to the private investment funds shall be limited to its initial and ongoing due diligence and investment monitoring services. If a client determines to become a private fund investor, the amount of assets invested in the fund(s) shall be included as part of "assets under management" for purposes of Registrant calculating its investment advisory fee. Registrant's clients are under absolutely no obligation to consider or make an investment in a private investment fund(s).

**Please Note:** Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike other liquid investments that a client may maintain, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment.

**Please Also Note: Valuation.** In the event that the Registrant references private investment funds owned by the client on any supplemental account reports prepared by the Registrant, the value(s) for all such

private investment funds shall reflect either the initial purchase and/or the most recent valuation provided by the fund sponsor. If the valuation reflects the initial purchase price (and/or a value as of a previous date), the current value(s) (to the extent ascertainable) could be **significantly more or less** than the original purchase price.

#### **OTHER ADVISORY SERVICES**

Registrant also provides both investment management services to clients relative to (1) variable annuity products that they may own, or (2) their individual employer-sponsored retirement plans. In so doing, Registrant either directs or recommends the allocation of client assets among the various investment subdivisions, which comprise the variable annuity product, or the investment alternatives that comprise the retirement plan. For these services, Registrant's management fee is paid quarterly in arrears, the amount of which management fee shall vary (between 0.25% and 1.00%) based upon the market value of the assets on the last business day of the previous quarter. If the variable annuity product was sold by the Registrant's President, Mark J. Snyder, on a commission basis in his capacity as a registered representative of *Royal*, the Registrant's management fee is waived. With respect to retirement plans, the client acknowledges and understands that the Registrant's management is limited to the investment alternatives permitted under the plan. The client assets shall be maintained at either the specific insurance company that issued the variable annuity product which is owned by the client, or at the custodian designated by the retirement plan sponsor.

#### **RETIREMENT PLANNING AND CONSULTING**

To the extent specifically requested by client, Registrant *may* provide its clients with retirement planning consulting services. Registrant will charge a fee (fixed fee and/or hourly) for these services. Registrant's consulting fees are negotiable and are generally due upon commencement of the engagement. Fees generally range from \$350.00 to \$1,000.00 on a fixed fee basis (depending upon complexity) for an investment analysis or retirement analysis, and from \$100.00 to \$200.00 on an hourly basis, depending upon the level and scope of service(s) required and the professional rendering the service(s). In the event the client terminates Registrant's consulting services, the balance on any unearned fee is not charged until client is 100% satisfied. Prior to engaging the Registrant to provide financial planning services, the client will be required to enter into a *Retirement Planning and Consulting Agreement* with Registrant setting forth the terms and conditions of the engagement, and describing the scope of the services to be provided. In the event the client terminates Registrant's consulting services, the balance of any unearned fee shall be refunded to the client. In performing its services, Registrant shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. If requested by the client, Registrant shall recommend the services of other professionals for implementation purposes, including Registrant's President, Mark J. Snyder and/or representatives, in their separate individual licensed capacities as registered representative of *Royal* and/or licensed insurance agents (*See* disclosure below). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant. Clients are encouraged to renew Registrant's financial planning services on an annual basis for the purpose of reviewing/updating Registrant's previous recommendations and/or services. Moreover, each client is advised

that it remains his/her/its responsibility to promptly notify the Registrant if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Registrant's previous recommendations and/or services.

#### **MISCELLANEOUS**

**Non-Investment Consulting/Implementation Services.** To the extent specifically requested by the client, the Registrant *may* provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Neither the Registrant, nor any of its representatives, serves as an attorney or accountant, and no portion of the Registrant's services should be construed as same. To the extent requested by a client, the Registrant may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.), including representatives of the Registrant in their separate registered/licensed capacities as discussed below. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** It remains the client's responsibility to promptly notify the Registrant if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Registrant's previous recommendations and/or services.

**Independent Managers.** The Registrant may allocate (and/or recommend that the client allocate) a portion of a client's investment assets among unaffiliated independent investment managers in accordance with the client's designated investment objective(s). In such situations, the *Independent Manager[s]* shall have day-to-day responsibility for the active discretionary management of the allocated assets. The Registrant shall continue to render investment supervisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. Factors which the Registrant shall consider in recommending *Independent Manager[s]* include the client's designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research.

**Research/Signal Provider Arrangement.** The Registrant purchases research/investment signals for its Tactical Allocation Program (the "Program") from unaffiliated investment managers, including Kensington Asset Management. The Registrant compensates all such unaffiliated managers, including Kensington, based upon a percentage of the Program assets that utilize the manager's research/investment signals.

**Trade Error Policy.** Registrant shall reimburse accounts for losses resulting from the Registrant's trade errors, but shall not credit accounts for such errors resulting in market gains. The gains and losses are reconciled within the Registrant's custodian firm account and Registrant retains the net gains and losses.

**Client Obligations.** In performing its services, Registrant shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify the Registrant if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Registrant's previous recommendations and/or services.

**Disclosure Statement.** A copy of the Registrant's written Brochure as set forth on Part 2A of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the *Investment Advisory Agreement and/or Retirement Planning and Consulting Agreement*.

- C. The Registrant shall provide investment advisory services specific to needs of each client. Prior to providing investment advisory services, an investment adviser representative will discuss with each client, their particular investment objective(s). The Registrant shall allocate each client's investment assets consistent with their designated investment objective(s). Clients may, at anytime, impose restrictions, in writing, on the Registrant's services.
- D. There is no significant difference between how the Registrant manages wrap fee accounts and non-wrap fee accounts. However, as stated above, if a client determines to engage the Registrant on a wrap fee basis the client will pay a single fee for bundled services (i.e. investment advisory, brokerage, custody) (*See* Item 4 B). The services included in a wrap fee agreement will depend upon each client's particular need. If the client determines to engage the Registrant on a non-wrap fee basis, the client will select individual services on an unbundled basis, paying for each service separately (i.e. investment advisory, brokerage, custody). **Please Note:** When managing a client's account on a wrap fee basis, the Registrant shall receive payment for its investment advisory services from *Royal* in accordance with the Wrap Fee Brochure, and the balance of the wrap fee shall be returned by *Royal* as the sponsor to cover all other costs and fees discussed in the Wrap Fee Brochure.
- E. As of December 31, 2011, the Registrant had \$173,000,000 in assets under management on a discretionary basis.

## **Item 5 Fees and Compensation**

- A. The client can determine to engage the Registrant to provide discretionary and/or non-discretionary investment advisory services on a wrap or non-wrap *fee* basis.

### **NON-WRAP FEE BASIS**

The client can determine to engage the Registrant to provide discretionary investment advisory services on a *fee* basis. The Registrant's annual investment advisory fee shall be based upon a percentage (%) of the market value and type of assets placed under the Registrant's management (between 1.60% and negotiable, to be charged quarterly in advance, as follows:

<b>Assets Under Management</b>	<b>Annual Fee Non-Qualified</b>	<b>Annual Fee Qualified</b>
\$50,000 - \$100,000	1.40%	1.6%
\$100,001 - \$250,000	1.30%	1.5%
\$250,001 - \$500,000	1.20%	1.4%
\$500,001 - \$750,000	1.10%	1.3%
\$750,001 - \$1,000,000	1.00%	1.2%
\$1,000,001 - \$1,500,000	.80%	1.0%
\$1,500,001 - \$2,000,000	.70%	.90%
over \$2,000,000	.50%	.70%



## **RASA**

Registrant may also recommend that certain clients invest all or a portion of their assets in the RASA program (Royal Advisory Services Account) offered through Royal Alliance Association, Inc. (“*Royal*”). Under the RASA program, the Registrant’s President may offer clients the option of a *fee-only* account through which certain no-load mutual funds (with and without transaction fees), load mutual funds at net asset value, and individual stocks and bonds may be purchased and managed. The annual management fee for RASA program clients shall be negotiable at the Registrant’s discretion, but shall generally follow the fee schedule outlined earlier in this Item 5 A. RASA clients shall incur transaction charges pursuant to a fixed schedule for trade execution determined by *Royal*. In addition to the investment management fee and transaction charges, the client, relative to all mutual fund purchases, will also incur charges imposed at the mutual fund level (e.g. management fees and other fund expenses).

## **WEALTH MANAGEMENT PROGRAM FEES**

The Registrant also offers its clients the Wealth Management Program (the “Program”), sponsored by Royal Alliance Associates, Inc. (“*Royal*”). The services offered under, and the corresponding terms and conditions pertaining to, the Program are discussed in the Royal Wrap Fee Program Brochure a copy of which is presented to all prospective Program participants. Under the Program, the Registrant is able to offer participants discretionary investment management services, for a single specified annual Program fee, inclusive of trade execution, custody, reporting, and investment management fees. The current annual Program fee charges a maximum of 2.50% depending upon the amount and type of the Program assets. The complete schedule of program fees is set forth in the Royal Wrap Fee Program Brochure created by *Royal* and provided by the Registrant to its clients prior to or concurrent with their engagement in the Program.

## **RETIREMENT PLANNING AND CONSULTING**

To the extent specifically requested by client, Registrant *may* provide its clients with retirement planning consulting services. Registrant will charge a fee (fixed fee and/or hourly) for these services. Registrant’s consulting fees are negotiable and are generally due upon commencement of the engagement. Fees generally range from \$350.00 to \$1,000.00 on a fixed fee basis (depending upon complexity) for an investment analysis or retirement analysis, and from \$100.00 to \$200.00 on an hourly basis, depending upon the level and scope of service(s) required and the professional rendering the service(s).

## **OTHER ADVISORY SERVICES**

Registrant also provides both investment management services to clients relative to (1) variable annuity products that they may own, or (2) their individual employer-sponsored retirement plans. In so doing, Registrant either directs or recommends the allocation of client assets among the various investment subdivisions, which comprise the variable annuity product, or the investment alternatives that comprise the retirement plan. For these services, Registrant’s management fee is paid quarterly in arrears, the amount of which management fee shall vary (between 0.25% and 1.00%) based upon the market value of the assets on the last business day of the previous quarter. If the variable annuity product was sold by the Registrant’s President, Mark. J. Snyder, on a commission basis in his capacity as a registered representative of *Royal*, the Registrant’s management fee is waived

- B. Clients may elect to have the Registrant's advisory fees deducted from their custodial account. Both Registrant's *Investment Advisory Agreement* and the custodial/ clearing agreement may authorize the custodian (Pershing) to debit the account for the amount of the Registrant's investment advisory fee and to directly remit that management fee to the Registrant in compliance with regulatory procedures. In the limited event that the Registrant bills the client directly, payment is due upon receipt of the Registrant's invoice. The Registrant shall generally deduct fees and/or bill clients quarterly in advance, based upon the market value of the assets on the last business day of the previous quarter, unless the client elects to utilize Registrant's "Other Advisory Services," in which case, Registrant shall deduct fees and/or bill clients quarterly in arrears, based upon the market value of assets on the last day of business of the previous quarter. Clients whose assets are managed within the *Royal RASA* program (see discussion below- new clients assets will be managed on a fee-only basis in accordance with the terms and conditions of the RASA program; however, certain existing client may have accounts under the *Royal FLEX* account program or Wealth Management Program, descriptions of which were set forth in the written disclosure statement provided to the client at the time that he/she/it engaged the Registrant to provide services in accordance with the FLEX or Wealth Management Program) will have accounts debited for investment management fees on a quarterly basis, in advance, based on the market value of the assets on the last day of the previous quarter.
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, the Registrant shall generally recommend that Royal Alliance Associates, Inc. ("*Royal*") serve as the broker-dealer/custodian for client investment management assets, or that Pershing serve as the custodian. Broker-dealers such as *Royal* charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). Clients will incur, in addition to Registrant's investment management fee, brokerage commissions and/or transaction fees, and, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).
- D. Registrant's annual investment advisory fee shall generally be prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter, unless the client elects to utilize Registrant's "Other Advisory Services," in which case, Registrant shall deduct fees and/or bill clients quarter in arrears, based upon the market value of assets on the last day of business of the previous quarter. Clients whose assets are managed within the *Royal RASA* program (see discussion below- new clients assets will be managed on a fee-only basis in accordance with the terms and conditions of the RASA program; however, certain existing client may have accounts under the *Royal FLEX* account program or Wealth Management Program, descriptions of which were set forth in the written disclosure statement provided to the client at the time that he/she/it engaged the Registrant to provide services in accordance with the FLEX or Wealth Management Program) will have accounts debited for investment management fees on a quarterly basis, in advance, based on the market value of the assets on the last day of the previous quarter.

The Registrant requires an annual minimum fee of \$100,000 in assets under management (with a minimum account size of \$50,000) for investment advisory services. However,

Registrant, in its sole discretion, may reduce its annual minimum fee and/or charge a lesser investment management fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

The *Investment Advisory Agreement* between the Registrant and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. Upon termination, the Registrant shall refund (or debit if paid in arrears) the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter.

- E. **Commission Transactions.** In the event that the client desires, the client can engage certain of the Registrant's President, Mark J. Snyder and/or Registrant's representatives, in their individual capacities as registered representatives of *Royal*, an SEC registered and FINRA member broker-dealer, to implement investment recommendations on a commission basis. In the event the client chooses to purchase investment products through *Royal*, *Royal* will charge brokerage commissions to effect securities transactions, a portion of which commissions *Royal* shall pay to Registrant's President and/or representatives, as applicable. Prior to effecting any transactions, the client will be required to enter into a new account agreement with *Royal*. The brokerage commissions charged by *Royal* may be higher or lower than those charged by other broker-dealers. In addition, *Royal*, as well as Registrant's representatives, relative to commission mutual fund purchases, may also receive additional ongoing 12b-1 trailing commission compensation directly from the mutual fund company during the period that the client maintains the mutual fund investment.

1. **Conflict of Interest:** The recommendation that a client purchase a commission product from *Royal* presents a *conflict of interest*, as the receipt of commissions may provide an incentive to recommend investment products based on commissions received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from *Royal*. **The Registrant's Chief Compliance Officer, Mark J. Snyder, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**
2. **Please note:** Clients may purchase investment products recommended by Registrant through other, non-affiliated broker dealers or agents.
3. The Registrant does not receive more than 50% of its revenue from advisory clients as a result of commissions or other compensation for the sale of investment products the Registrant recommends to its clients.
4. When Registrant's representatives sell an investment product on a commission basis, the Registrant does not charge an advisory fee in addition to the commissions paid by the client for such product. When providing services on an advisory fee basis, the Registrant's representatives do not also receive commission compensation for such advisory services (except for any ongoing 12b-1 trailing commission compensation that may be received as previously discussed). **However,** a client may engage the Registrant to provide investment management services on an advisory fee basis and separate from such advisory services purchase an investment product from Registrant's representatives on a separate commission basis.

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

Neither the Registrant nor any supervised person of the Registrant accepts performance-based fees.

## **Item 7                    Types of Clients**

The Registrant's clients shall generally include individuals, business entities, trusts, estates and charitable organizations, pension and profit sharing plans. The Registrant requires an annual minimum fee of \$100,000 in assets under management (with a minimum account size of \$50,000) for investment advisory services. However, Registrant, in its sole discretion, may reduce its annual minimum fee and/or charge a lesser investment management fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

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

- A. The Registrant shall utilize the following methods of security analysis:
- Charting - (analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices)
  - Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
  - Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)

The Registrant shall utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)

**Please Note: Investment Risk.** Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the Registrant) will be profitable or equal any specific performance level(s).

- B. The Registrant's methods of analysis and investment strategies do not present any significant or unusual risks.

However, every method of analysis has its own inherent risks. To perform an accurate market analysis the Registrant must have access to current/new market information. The Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to the Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of the Registrant's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

The Registrant's primary investment strategies - Long Term Purchases and Short Term Purchases - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy.

- C. Currently, the Registrant primarily allocates client investment assets among various individual equity and fixed income securities, mutual funds and/or exchange traded funds on a discretionary basis in accordance with the client's designated investment objective(s).

**Unaffiliated Private Investment Funds.** Registrant may provide investment advice regarding unaffiliated private investment funds with respect to public and/or private real estate investment trusts and/or products that invest in real estate, securities, commodities and/or futures. The Registrant's role relative to the private investment funds shall be limited to its initial and ongoing due diligence and investment monitoring services. If a client determines to become a private fund investor, the amount of assets invested in the fund(s) shall be included as part of "assets under management" for purposes of Registrant calculating its investment advisory fee. Registrant's clients are under absolutely no obligation to consider or make an investment in a private investment fund(s).

**Please Note:** Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike other liquid investments that a client may maintain, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment.

**Please Also Note: Valuation.** In the event that the Registrant references private investment funds owned by the client on any supplemental account reports prepared by the Registrant, the value(s) for all such private investment funds shall reflect either the initial purchase and/or the most recent valuation provided by the fund sponsor. If the valuation reflects the initial purchase price (and/or a value as of a previous date), the current value(s) (to the extent ascertainable) could be **significantly more or less** than the original purchase price.

## **Item 9           Disciplinary Information**

The Registrant has not been the subject of any disciplinary actions.

## Item 10 Other Financial Industry Activities and Affiliations

- A. As disclosed above in Item 5 E, Registrant's President, Mark J. Snyder, and certain representatives are also registered representatives of Royal Alliance Associates, Inc. ("Royal"), an SEC registered and FINRA member broker-dealer.
- B. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C.
1. **Broker Dealer.** As disclosed above in Item 5 E, certain of Registrant's representatives, are registered representatives of *Royal*, an SEC Registered and FINRA member broker-dealer. Clients may choose to engage Registrant's representatives, in their individual capacities, to effect securities brokerage transactions on a commission basis.
  3. **Other Investment Adviser.** The Registrant is affiliated with Long Island Financial Advisors, Inc., ("*Long Island Financial*") an SEC registered investment adviser firm. The Registrant's President, Mark J. Snyder, also serves as the President of *Long Island Financial*. **The Registrant's Chief Compliance Officer, Mark J. Snyder, remains available to address any questions that a client or prospective client may have regarding the above.**
  8. **Licensed Insurance Agents.** Registrant's President, Mark J. Snyder, and certain of Registrant's representatives, in their individual capacities, are licensed insurance agents, and may recommend the purchase of certain insurance-related products on a commission basis. As referenced in Item 4 B above, clients can engage certain of Registrant's representatives to effect insurance transactions on a commission basis.
    - **Conflict of Interest:** The recommendation by Registrant's President and/or representatives that a client purchase a securities or insurance commission product presents a *conflict of interest*, as the receipt of commissions may provide an incentive to recommend investment products based on commissions received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from Registrant's President and/or representatives. Clients are reminded that they may purchase investment products recommended by Registrant through other, non-affiliated broker dealers or insurance agents. **The Registrant's Chief Compliance Officer, Mark J. Snyder, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**
- D. The Registrant does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

- A. The Registrant maintains an investment policy relative to personal securities transactions. This investment policy is part of Registrant's overall Code of Ethics, which serves to establish a standard of business conduct for all of Registrant's Associated Persons that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.

- B. Neither the Registrant nor any related person of Registrant recommends, buys, or sells for client accounts, securities in which the Registrant or any related person of Registrant has a material financial interest.
- C. The Registrant and/or representatives of the Registrant *may* buy or sell securities that are also recommended to clients. This practice may create a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if the Registrant did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of the Registrant's clients) and other potentially abusive practices.

The Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Registrant's "Access Persons." The Registrant's securities transaction policy requires that Access Person of the Registrant must provide the Chief Compliance Officer or his/her designee with a written report of the their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date the Registrant selects; provided, however that at any time that the Registrant has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. The Registrant and/or representatives of the Registrant *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11 C, the Registrant has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Registrant's Access Persons.

## Item 12      Brokerage Practices

- A. In the event that the client requests that the Registrant recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct the Registrant to use a specific broker-dealer/custodian), Registrant generally recommends that investment management accounts be maintained at *Royal and/or Pershing*. Prior to engaging Registrant to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement and/or Retirement Planning and Consulting Agreement* with Registrant setting forth the terms and conditions under which Registrant shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that the Registrant considers in recommending *Royal and/or Pershing* (or any other broker-dealer/custodian to clients) include historical relationship with the Registrant, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Registrant's clients shall comply with the Registrant's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Registrant determines, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of broker-dealer services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Registrant's investment management fee. The Registrant's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. Research Benefits. Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Registrant may receive from *Royal and/or Pershing*, without cost (and/or at a discount) support services and/or products, certain of which assist the Registrant to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by the Registrant may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Registrant in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that *may* be received may assist the Registrant in managing and administering client accounts. Others do not directly provide such assistance, but rather assist the Registrant to manage and further develop its business enterprise.



Registrant's clients do not pay more for investment transactions effected and/or assets maintained at *Royal and/or Pershing* as a result of this arrangement. There is no corresponding commitment made by the Registrant to *Royal and/or Pershing* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

**The Registrant's Chief Compliance Officer, Mark J. Snyder, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.**

2. The Registrant does not receive referrals from broker-dealers.
3. The Registrant does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Registrant will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Registrant. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

**Please Note:** In the event that the client directs Registrant to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Registrant.

**The Registrant's Chief Compliance Officer, Mark J. Snyder, remains available to address any questions that a client or prospective client may have regarding the above arrangement.**

- B. To the extent that the Registrant provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless the Registrant decides to purchase or sell the same securities for several clients at approximately the same time. The Registrant may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Registrant's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. The Registrant shall not receive any additional compensation or remuneration as a result of such aggregation.

### Item 13      Review of Accounts

- A. For those clients to whom Registrant provides investment supervisory services, account reviews are conducted on an ongoing basis by the Registrant's Principals and Chief Compliance Officer. All investment supervisory clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with the Registrant on an annual basis.
- B. The Registrant *may* conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

### Item 14      Client Referrals and Other Compensation

- A. As referenced in Item 12 A(1) above, the Registrant may receive an indirect economic benefit from *Royal and/or Pershing*. The Registrant, without cost (and/or at a discount), may receive support services and/or products from *Royal and/or Pershing*.

Registrant's clients do not pay more for investment transactions effected and/or assets maintained at *Royal and/or Pershing* as a result of this arrangement. There is no corresponding commitment made by the Registrant to *Royal and/or Pershing* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

**The Registrant's Chief Compliance Officer, Mark J. Snyder, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.**

- B. Neither the registrant nor any *related persons* compensate any person for client referrals.

### Item 15      Custody

The Registrant shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

**Please Note:** To the extent that the Registrant provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by

the Registrant with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of the Registrant's advisory fee calculation.

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

The client can determine to engage the Registrant to provide investment advisory services on a discretionary basis. Prior to the Registrant assuming discretionary authority over a client's account, client shall be required to execute *Investment Advisory Agreement*, naming the Registrant as client's attorney and agent in fact, granting the Registrant full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage the Registrant on a discretionary basis may, at anytime, impose restrictions, **in writing**, on the Registrant's discretionary authority. (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe the Registrant's use of margin, etc.).

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

- a. The Registrant does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.
- b. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact the Registrant to discuss any questions they may have with a particular solicitation.

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

- A. The Registrant does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. The Registrant is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. The Registrant has not been the subject of a bankruptcy petition.

**ANY QUESTIONS: The Registrant's Chief Compliance Officer, Mark J. Snyder, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.**