

**Part 2A of Form ADV: *Firm Disclosure Brochure***

**Bruderman Asset Management, LLC  
Doing Business As Gary Goldberg Financial Services**

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**Item 1 Cover Page**

This brochure provides information about the qualifications and business practices of Bruderman Asset Management, LLC. If you have any questions about the contents of this brochure, please contact us at (845) 368-2900 or e-mail us at [tcattani@mjbc.com](mailto:tcattani@mjbc.com).

Additional information about Bruderman Asset Management, LLC 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. Our firm's CRD number is 173565.

While Bruderman Asset Management, LLC is a SEC Registered Investment Advisor the use of the term "Registered Investment Advisor" does not imply a certain level of skill or training.

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.

## **Item 2    Material Changes**

The SEC adopted "Amendments to Form ADV" in July, 2010. This Firm Disclosure Brochure, dated 02/25/2015, is our new disclosure document prepared according to the SEC's requirements and rules.

After our initial filing of this brochure, item 2 will be utilized to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

Beginning in February 2017, the company changed the fee structure for its Buster Program portfolios. This Brochure contains the new fee structure.

Bruderman Asset Management, LLC will ensure that you receive a summary of any material changes to this and subsequent brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes, as necessary.

To obtain our Firm Disclosure Brochure, the Disclosure Appendix and Brochure Supplements (information regarding each of our financial advisors), our Code of Ethics, or our Privacy Policy, please e-mail us at [tcattani@mjbc.com](mailto:tcattani@mjbc.com), telephone us at (845) 368-2900 or mail your request to the address below.

**Bruderman Asset Management, LLC**  
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## Item 4 Advisory Business

Bruderman Asset Management, LLC ("BAM" or "Advisor") is an investment advisor with its principal place of business located in New York. Bruderman Asset Management, LLC was formed in 2014 and is doing business as Gary Goldberg Financial Services.

BAM is a wholly-owned subsidiary of Bruderman & Company, LLC, which is owned by a Trust with Matthew J. Bruderman as the sole Trustee. BAM is the sole member and 100% owner of Bruderman Brothers, LLC, a FINRA member broker-dealer.

Bruderman Asset Management, LLC offers the following Advisory services to our clients:

### **WRAP FEE BASED AND PORTFOLIO MANAGEMENT SERVICES**

The main focus of our firm is offering investment management services to predominantly mass affluent individuals and institutional clients utilizing various model portfolios. Each model portfolio is designed to meet a particular investment goal.

BAM offers discretionary portfolio management and non-discretionary portfolio management using individual equities, bonds or bond funds, no-load and load-waived mutual funds, exchange traded funds, variable annuities, hedge funds, and outside investment managers to prepare custom portfolios to address a client's needs. Primarily, clients are managed in discretionary portfolios. In limited circumstances, we may manage portfolios on a non-discretionary basis. Discretion permits BAM to make buy and sell decisions on behalf of clients based on specific objectives or strategies established between BAM and the client. Generally, accounts are separately managed and clients retain individual ownership of all securities. When appropriate to the needs of the client, BAM may also recommend the commingling of assets, use of margin accounts, and/or option writing.

In addition to customized portfolios, BAM uses a number of models developed and maintained by a strategic investment committee. Each model contains solutions with varying attributes and risk profiles. In addition, BAM sponsors and acts as the sole investment manager to two wrap fee programs - Select Trac Mutual Fund Program ("MF Program") and the Select Trac Exchange Traded Fund Program ("ETF Program").

**Select Trac MF and ETF Program** - BAM manages accounts in two "wrap fee" programs - the Select Trac Mutual Fund Program (MF) and the Select Trac Exchange Traded Fund Program (ETF). BAM manages client accounts on a discretionary basis through asset allocation and investment strategies developed by BAM. The minimum account size is \$50,000 for the MF Program and \$100,000 for the ETF Program. Exceptions will be permitted at the discretion of BAM. See the Wrap Fee Disclosure Brochure – Form 2A Appendix 1 for details.

**Tactical ETF Program** - BAM manages accounts in the Tactical ETF Program through a tactical investment strategy. BAM manages client accounts on a discretionary basis through asset allocation and investment strategies developed by BAM. Accounts are managed in two sub-strategies: Core-TAC and Trend-TAC. The minimum account size is \$100,000 for the ETF Program. Advisor has the right to terminate the Client's participation in the Program and convert the entire portfolio to cash if the Account falls below \$60,000. Exceptions will be permitted at the discretion of BAM.

**Select Trac Equities Program** - BAM manages accounts in three separate portfolios: Select Opportunity Portfolio, Growth & Income Model, and Income Model. In this program, BAM manages client accounts on a discretionary basis through asset allocation and investment strategies developed by BAM. The minimum account size is \$300,000 for the Select Opportunities Portfolio and \$200,000 for the Growth & Income Model and Income Model. Exceptions will be permitted at the discretion of BAM.

**Select Trac Buster Programs** - BAM manages accounts in the Dividend Buster Models, the Revenue Buster Models, the Small Cap Buster, and the Buster Blend Models. In this program, BAM manages client accounts on a discretionary basis through asset allocation and investment strategies developed by BAM. The portfolios consist of stocks and real estate investment trusts. In certain circumstances, BAM may fulfill one or more asset classes with other securities instead of those listed above. The minimum account size is \$100,000 for the Buster Program. Exceptions may be permitted at the discretion of BAM.

**Advisor Plus Program (Discretionary or Non-Discretionary)** - A BAM investment consultant makes the day-to-day investment decisions in this program, with oversight by a strategic investment committee member. The accounts consist of stocks, bonds, mutual funds and/or options strategies. In discretionary accounts, if the client authorizes the arrangement, the advisory representative makes investments for the account in his or her discretion so that investments are not pre-approved by the client. In non-discretionary accounts, the client must approve the investment decision in advance. The minimum account size is \$100,000. Exceptions will be permitted at the discretion of BAM.

**Fund Trac/Variable Annuity and Linked Account Program** – Assets of the client that are invested by the client in a variable annuity product (“VA Account”) are managed by BAM by reallocating among the sub-accounts of that product. Additional assets are invested outside the annuity in other vehicles including mutual funds, money markets, equities, etc., (“Linked Account”) in order to achieve an investment strategy consistent with the client’s investment objectives.

A BAM representative will design, individually or in consultation with the investment committee, a portfolio using one or several of BAM’s programs in order to meet the needs and goals of the individual client. Clients will have the opportunity to place reasonable restrictions on investments to be made on the client’s behalf.

**FINANCIAL PLANNING PROGRAM.** In BAM’s Financial Planning Program, a BAM representative will meet with clients either one time or on an ongoing basis to analyze and advise on such issues as budgeting, consolidating student loans, creating debt repayment plans, reviewing client’s 401K and advising on allocations, insurance planning, planning for home purchases or car purchases, or planning any other financial matter.

**General Considerations** – BAM may enter into sub-advisory agreements with other advisors to create portfolio models. Under these agreements, the sub-advisor renders impersonal advice to BAM. This advice is in accordance with information from BAM concerning a portfolio model’s goals and objectives, as well as any special instructions or limits. The sub-advisor may also provide wholesaling, marketing and sales support services to BAM and its

associates. The sub-advisor provides BAM with ongoing economic analysis, portfolio design, model design, and securities selection. BAM, and not the sub-advisor, is responsible for determining whether a given model is appropriate for BAM clients, as well as for actually implementing the impersonal advice rendered by the sub-advisor to BAM.

Clients should be aware that BAM and its investment advisor representatives also receive a portion of the wrap fee for our services. Where a conflict exists between the interests of the investment advisor or associated persons and the interest of the client; the client is under no obligation to act upon the investment advisor's or associated person's recommendation; if the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through the investment advisor or the associated person, when the person is an agent with a licensed broker-dealer or through any associate or affiliate of such person.

### **AMOUNT OF MANAGED ASSETS**

As of 03/27/2018, BAM (all divisions) managed \$1,003,588,048.00 of assets on a discretionary basis and \$92,263,926.24 of assets on a non-discretionary basis.

## **Item 5 Fees and Compensation**

### **Wrap Fee Based Management Fees**

BAM sponsors and acts as the sole investment manager to two wrap fee programs - Select Trac Mutual Fund Program and the Select Trac Exchange Traded Fund Program. In these accounts, all administrative, commission, and management expenses are included in the investment advisory fee. (Note, however, that this does not include internal fees and expenses imposed by the fund or certain administrative fees charged by the clearing firm such as fees for wire transfers or certificate issues, IRA account fees, account closing fees, or mail expenses). Bruderman Asset Management, LLC's wrap based combined total fees will not exceed the industry standard maximum total of 3%. For more information about these wrap fee programs, including the services provided and fees charged, see the Wrap Fee Disclosure Brochure – Form 2A Appendix 1.

### **Discretionary Portfolio Management and Non-Discretionary Portfolio Management fees**

In the firm's Select Trac Equities program (Discretionary) and Advisor Plus program (Discretionary and Non-Discretionary), the Client is charged an annual advisory fee that is a percentage of the assets in the account as follows (subject to any special arrangement negotiated with a particular client):

<u>Assets in Account</u>	<u>Annual Fee</u>
Up to \$100,000	1.875%
Up to \$350,000	1.75%
Up to \$650,000	1.50%
Up to \$1,000,000	1.25%
Over \$1,000,000	1.00%

"Assets in Account" includes all assets managed by BAM in any of its asset management programs, excluding assets managed in the Fund Trac Variable Annuity Program.

### **Select Trac Buster Program**

In the firm's Select Trac Buster program, the client is charged an annual advisory fee of 1.875% of the assets in the account, subject to any special arrangement negotiated with a particular client.

The Select Trac Buster Program fees are paid on a quarterly basis in advance, based on the average daily balance in the client account during the preceding quarter. The client has the option of paying the fee directly (either by check or by debit from an alternate account), or having it deducted from the account. Within two weeks after the beginning of the quarter, the client is sent a debit notice or invoice showing the amount of the fee for the quarter and how it was calculated. Fees will be prorated for any partial period. In the event of advisory agreement termination, advisor will refund pre-paid fees on a pro-rata basis calculated from the date of termination through the end of the quarter.

### **Tactical ETF Program**

In the firm's Tactical ETF Program, the client is charged an annual advisory fee of 1.75% of the assets in the account, subject to any special arrangement negotiated with a particular client.

The Tactical ETF Program fees are paid on a quarterly basis in advance, based on the average daily balance in the client account during the preceding quarter. The client has the option of paying the fee directly (either by check or by debit from an alternate account), or having it deducted from the account. Within two weeks after the beginning of the quarter, the client is sent a debit notice or invoice showing the amount of the fee for the quarter and how it was calculated. Fees will be prorated for any partial period. In the event of advisory agreement termination, advisor will refund pre-paid fees on a pro-rata basis calculated from the date of termination through the end of the quarter.

### **Fund Trac Variable Annuity and Linked Account Program**

In BAM's Fund Trac Variable Annuity managed variable annuity program, the client is charged an annual advisory fee of 1.875% of the assets in the account, subject to any special arrangement negotiated with a particular client.

The Fund Trac Variable Annuity and Linked Account Program fees are paid on a quarterly basis in advance, based on the average daily balance in the client account during the preceding quarter. The client has the option of paying the fee directly (either by check or by debit from an alternate account), or having it deducted from the account. Within two weeks after the beginning of the quarter, the client is sent a debit notice or invoice showing the amount of the fee for the quarter and how it was calculated. Fees will be prorated for any partial period. In the event of advisory agreement termination, advisor will refund pre-paid fees on a pro-rata basis calculated from the date of termination through the end of the quarter.

### **Financial Planning Program Fees**

In the firm's Financial Planning Program, the Client is charged a negotiated fee based on the amount of work and the frequency of planning events the client requires.

***How are investment management fees charged?*** Program advisory fees will be payable quarterly, in advance and on a prorated basis upon deposit of any additional funds or securities in the client's account.

At the option of the client, fees are either invoiced to, and paid separately by, the client, or when authorized by the client, fees will be directly debited from the client's account in accordance with the terms set forth in the Investment Management Agreement ("IMA"). The fee for the first period is debited at the beginning of the first full quarter the account is open, and is based on the average daily balance for the period the account has been open. If there is cash or a cash position in the account, the fee is deducted from the cash balance. If there is no cash or cash position, securities will be sold from the account to generate the funds to pay the fee. Fees will be prorated for any partial period. Additional deposits of funds and/or securities will be subject to the same billing procedures. The average daily balance in the client's account will include any non-strategy assets. In the event of advisory agreement termination, advisor will refund pre-paid fees on a pro-rata basis calculated from the date of termination through the end of the quarter. Minimum account size and fees are negotiable.

***How are Financial Planning Program fees charged?*** Financial Planning Program fees will be either a one time flat fee for the review and creation of a plan, or a periodic fee if the client requests periodic review and maintenance of any financial plan developed by the firm. The amount of the fee will be based on the size of the project and will be negotiated in advance and memorialized in a Financial Planning Advisory Agreement

***What services are not covered by the Program fees?*** Transaction charges for accounts are generally to be paid by the client except for Wrap Programs (see Appendix 1). These transaction charges imposed by the broker/dealer and/or clearing firm generally include a ticket charge of \$12. Bruderman Brothers, LLC or the clearing firm may change these charges periodically. If a ticket charge is passed through to the client, it will not exceed \$12.00 per transaction. This sum reflects both the ticket charge and transaction charged assessed by the clearing firm and a broker/dealer charge to Bruderman Brothers, LLC. The program fees do not include expenses of mutual funds and electronically traded funds such as fund management fees charged to each fund's investors, mark-ups, mark-downs, or spreads paid to market makers, and/or odd-lot differential fees.

***Limited Negotiability of Advisory Fees:*** Although Bruderman Asset Management, LLC has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the contract between the advisor and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

## **GENERAL INFORMATION**

***Termination of the Advisory Relationship:*** A client agreement may be canceled at any time, by either party, for any reason upon receipt of written notice. As disclosed above, certain



fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will prorate the reimbursement according to the number of days remaining in the billing period.

Termination of the Advisory Relationship - the client has the right to terminate an agreement without penalty within five business days after entering into the agreement.

**Pooled Investment Account Fees:** All fees paid to Bruderman Asset Management, LLC for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client might be able to invest into the pooled investment vehicles, such as a mutual fund, directly without our services, but may not qualify for the same share-class and may, as a result, be subject to higher fees. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

**Wrap Fee Programs and Separately Managed Account Fees:** Clients participating in separately managed account programs may be charged various program fees in addition to the advisory fee charged by our firm. Such fees may include the investment advisory fees of the independent advisors, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services. Clients' portfolio transactions may be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. We will review with clients any separate program fees that may be charged to clients.

**Direct Debit vs Billing:** When authorized by the client, fees are debited from the account in accordance with the terms set forth in the Investment Management Agreement. When calculating fees, we pay careful attention and review them on a regular basis. However, the custodian holding your assets will not determine whether the fee was properly calculated. You are also responsible for confirming that the fee we submit to the custodian is accurate. Clients are provided with an itemized billing notification, prior to the custodial debiting of your account. Please review these notices carefully and contact BAM with questions or discrepancies.

**Related Accounts:** Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

**ERISA Accounts:** In instances where we provide management to certain retirement plans, BAM may be deemed to be a fiduciary to advisory clients that are employee benefit plans or Individual Retirement Accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"). As such, our firm is subject to specific duties and obligations under ERISA and the

Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, BAM may only charge fees in ERISA accounts for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, where those fees are used to offset BAM's advisory fees.

**Advisory Fees in General:** Clients should note that similar advisory services may (or may not) be available from other registered investment advisors for similar or lower fees.

**Compensation from Other Business Activities:** Certain individuals of Bruderman Asset Management, LLC are also registered representatives with Bruderman Brothers, LLC (CRD #47957 and SEC Filing #8-51974), a FINRA member broker-dealer, which is wholly owned by Bruderman Asset Management, LLC. In this capacity, these individuals have the ability to receive separate compensation for the products they recommend to clients. This presents a conflict of interest as this gives Bruderman Asset Management, LLC personnel an incentive to recommend investment products based on the compensation received, rather than on a client's needs basis. To mitigate this conflict we advise our clients that no Bruderman Asset Management, LLC client is obligated to purchase any products or services from these individuals. Bruderman Asset Management, LLC has included a list of possible conflicts of interest and ways in which we mitigate these conflicts of interest in items 10 and 11 of this Firm Disclosure Brochure. Clients are free to purchase investment products that we recommend through any broker/dealer or agent of their choice, that are not affiliated with our firm. Clients may be charged commissions or mark-ups in addition to our advisory fees.

At times, our firm recommends mutual funds. Other than as noted in the ERISA section above, we do not provide offsets for commissions or 12b-1 fees received by our registered representatives.

Commissions and other revenues do not represent 50% or more of our total compensation.

**Limited Prepayment of Fees:** Under no circumstances do we require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered.

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

Bruderman Asset Management, LLC does not charge performance-based fees.

## **Item 7 Types of Clients**

BAM provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Pension and Profit Sharing Plans
- Charitable Organizations
- Corporations

Clients should note that the programs have a variety of minimum account and minimum fee requirements. The following minimum account sizes and minimum annual fees apply, but may be waived by the firm.

<u>Account Type</u>	<u>Minimum Account Size</u>
Select Trac Mutual Fund	\$50,000
Select Trac ETF	\$100,000
Select Trac Equities	\$200,000
Select Trac Opportunities	\$300,000
Select Trac Buster	\$100,000
Advisor Plus	\$100,000
Fund Trac Variable	\$50,000

We may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee. Nevertheless, from time to time our minimum separate account size may require that the firm decline to accept particularly small accounts.

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

### **METHODS OF ANALYSIS**

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

**Asset Allocation.** Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance. A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

**Charting.** In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse. Charting technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may under-perform regardless of market movement.

**Cyclical analysis.** In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to anticipate the price movement of the security.

**Economic and Market Analysis.** We attempt to review, summarize and interpret broad global economic and market trends and themes for the purpose of risk identification and opportunity recognition. Not so much as to market timing, but as an aid to overall asset allocation analysis, market-wide trends and developing themes are considered. Recently increased levels of market volatility are considered, as are technical and other factors,

including funds flows, currency movements, commodity prices, inflation, employment, political or regulatory changes.

**Fundamental Analysis.** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

**Mutual Fund and/or ETF Analysis.** We look at the product design, experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

**Technical analysis.** We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

**Computer software.** We use computerized investment planning software to organize data and create a preliminary analysis of the client's current and projected financial situation. In order to analyze security performance and risk, we use a variety of technical data supplied by third parties as well as percentile rankings of mutual fund managers' adjusted risk performance.

A risk of such computer programs is that projections and recommendations formulated from the program are generated from assumptions entered by the software's programmers, often based on how markets or securities have historically performed. However, markets and securities can and often do perform differently than they have in the past.

**Risks for all forms of analysis.** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

## **INVESTMENT STRATEGIES**

We use the following strategy(ies) in managing our model portfolios, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

**Long-term purchases.** This strategy is a primary strategy in our portfolios. We purchase securities with the idea of holding them in the client's account for three years or longer. Typically we employ this strategy when:

- Our investment committee believes the securities to be currently undervalued, and/or
- BAM wants exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before BAM can make the decision to sell.

**Short-term purchases.** Short-term purchases are not a primary strategy, but may occasionally be employed, where BAM feels the strategy may be of benefit. When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, if clients are not participating in a wrap fee based program, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs. Moreover, clients should be aware of the potential for less favorable tax treatment of short-term capital gains.

**Short Sale.** Rarely, BAM may utilize short selling strategies. In this strategy, BAM borrows shares of a stock for the client's portfolio from someone who owns the stock on a promise to replace the shares on a future date at a certain price. Those borrowed shares are then sold. On the agreed-upon future date, BAM buys the same stock and returns the shares to the original owner. BAM engages in short selling based on BAM's determination that the stock will go down in price after BAM has borrowed the shares. If BAM is correct and the stock price has gone down since the shares were purchased from the original owner, the client account realizes the profit.

One risk in selling short is that losses are theoretically unlimited; we are obligated to repurchase the stock no matter how much the price has climbed. In addition, even if we are correct in determining that the price of a stock will decline, we run the risk of incorrectly determining when the decline will take place. Short selling may not be appropriate in times of inflation, as prices may adjust upwards regardless of the value of the stock.

**Margin transactions.** BAM will purchase stocks for the client's portfolio with money borrowed from the client's brokerage account. This allows the client to purchase more stock than the client would be able to with the cash that is available, and allows BAM to purchase stock without selling other holdings. Again, this is a strategy rarely employed by BAM, and only where the Investment Committee feels appropriate.

**Option writing.** BAM may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

BAM employs two types of options, calls and puts:

- A call gives BAM the right to buy an asset at a certain price within a specific period of time. BAM will buy a call if BAM believes that the stock will increase before the option expires, or as a hedge for a short position.
- A put gives BAM the right to sell an asset at a certain price within a specific period of time. BAM will buy a put if BAM believes that the price of the stock will fall before the option expires, or as a hedge to a long position.

Covered calls are the strategies most commonly employed by BAM in many equity focused portfolios. BAM uses "covered calls," in which BAM sells an option on a security owned by the client. In this strategy, the client receives a fee for making the option available, and the person purchasing the option has the right to buy the security from the client at an agreed-upon price.

A risk of covered calls is that the option buyer does not have to exercise the option, so that if we want to sell the stock prior to the end of the option agreement, we have to buy the option back from the option buyer, for a possible loss.

BAM will use options to speculate on the possibility of a sharp price swing. BAM will also use options to "hedge" a purchase of the underlying security; in other words, BAM will use an option purchase to limit the potential upside and downside of a security that has been purchased or shorted in the client's portfolio.

BAM uses a "spreading strategy", in which BAM purchases two or more option contracts (for example, a call option that the client buys and a call option that the client sells) for the same underlying security. This effectively puts the client on both sides of the market, but with the ability to vary price, time and other factors. BAM rarely utilizes this strategy.

A risk of spreading strategies is that the ability to fully profit from a price swing is limited.

**Risk of Loss.** Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

## **Item 9    Disciplinary Information**

Our firm and our management personnel have no reportable disciplinary events to disclose.

## Item 10 Other Financial Industry Activities and Affiliations

As previously stated in Item 5 of this disclosure brochure, management and certain registered personnel of BAM are separately licensed as registered representatives with Bruderman Brothers, LLC. (CRD #47957 and SEC Filing #8-51974), an affiliated FINRA member broker-dealer. These individuals, in their separate capacity, can effect securities transactions for which they could receive separate, yet customary compensation.

Bruderman Brothers, LLC. acts as broker-dealer for the Select Trac Equities, Select Trac Buster, Advisor Plus, and Fund Trac/Variable Annuity Programs. (For Select Trac Mutual Fund and ETF programs please see appendix 1). Transaction charges for accounts are generally to be paid by the client. In addition, transactions will generally incur costs, such as trading commissions or mark-up/mark-down of price. The clearing firm will also generally retain all or most of the transaction costs.

Bruderman Brothers, LLC receives compensation from the issuers of all of the variable annuities that are available to brokerage customers. The compensation includes up-front commissions, trailing commissions, and may include payments for both administrative services that Bruderman Brothers, LLC provides, and payments made in connection with programs that support its marketing and sales-force education and training efforts (referred to here as "Sponsorship Programs").

The variable annuity issuers that participate in the Sponsorship Programs are listed below (Participating Sponsors). The payments made under the Sponsorship Programs are calculated based upon the new assets that are invested in the variable annuity contracts issued by the Participating Sponsors (each, a "Participating Annuity"). These Participating Annuities may be managed by BAM in its Fund Trac Variable fee-based advisory program. Bruderman Brothers, LLC may receive compensation of up to 0.50 percent of the assets invested in a Participating Annuity.

### Participating Sponsors:

AIG Sun America Life  
Assurance Company  
Allstate Life Insurance Company  
AXA Distributors LLC  
Genworth Financial  
The Hartford  
ING USA Annuity and Life Insurance Company  
Jackson National Life Insurance Company  
John Hancock Life Insurance Company  
Lincoln Financial Distributors, Inc.  
MassMutual Life Insurance Company  
MetLife Investors Insurance Company  
Nationwide Life Insurance Company  
Pacific Life Insurance Company  
Prudential Life Assurance Corporation  
Scudder Distributors, Inc.  
Sun Life Financial Distributors, Inc.

Transamerica Capital, Inc.  
US Allianz Investor Services, LLC

*Variable annuities are sold by prospectus, which contains more complete information, including investment objectives, risk factors, fees, surrender charges and other costs as well as other information about the investment company. Read it carefully before investing or sending money.*

Certain Officers of Bruderman Brothers, LLC and BAM are members of Montebello Partners, LLC, ("MPLLC") a Delaware Limited Liability Company and an affiliated Investment Advisory Firm registered with the State of New York. MPLLC uses the marketing name "Bruderman FTSE-Russell" and provides advice to Registered Investment Advisory Firms and their representatives, Family Offices, and Broker Dealers and their representatives.

Bruderman Brothers, LLC is a wholly owned subsidiary of Bruderman Asset Management, LLC. Bruderman & Company, LLC, which owns Bruderman Asset Management, LLC, also has a controlling interest in MPLLC.

Certain management members and investment advisor representatives are also registered as insurance agents. Products sold through these individuals may generate a commission to the firm and the representative. BAM and its associates have a conflict of interest when recommending insurance products for which they will receive additional compensation. Clients are always free to decline insurance recommendations, or may choose to implement those recommendations through channels unaffiliated with BAM.

While Bruderman Asset Management, LLC and these individuals endeavor at all times to put the interest of the clients first as part of our fiduciary duty, clients should be aware that the ability to receive separate, additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

Clients should be aware that when any affiliated person(s) of Bruderman Asset Management, LLC receive additional compensation this creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. Our firm endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment advisor; we take the following steps to address this conflict:

- I. We disclose to clients the existence of all material conflicts of interest, including the potential for our firm, our employees, and/or affiliated firms to earn compensation from advisory clients in addition to our firm's advisory fees;
- II. We disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- III. We require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- IV. We periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and



- V. We educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

Except as those noted above, our firm and our related persons are not engaged in any other additional financial industry activities and have no other industry affiliations. We do not have any referral arrangements with any other registered investment advisors or any other referral arrangements. Bruderman Asset Management, LLC does not recommend or select investment advisors and receive compensation, either directly or indirectly, for such recommendations.

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

Our firm has adopted a Code of Ethics (the “Code”) which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable California securities laws.

Bruderman Asset Management, LLC and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm’s access persons. Among other things, our Code contains policies and procedures which comply with Rule 204A-1 of the Advisor’s Act, which requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our Code also provides for oversight, enforcement, and recordkeeping provisions.

Bruderman Asset Management, LLC’s Code further includes the firm’s policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code is available to our Advisory clients and prospective clients. You may request a copy by email sent to [tcattani@mjbc.com](mailto:tcattani@mjbc.com), or by calling us at (845)368-2900.

Bruderman Asset Management, LLC may recommend to clients, or transact buys and/or sells for client accounts, securities in which Bruderman Asset Management, LLC or any related person of the Advisor, have a financial interest.

As noted in Item 10, Bruderman Asset Management, LLC is affiliated with and processes transactions through Bruderman Brothers, LLC, a registered broker/dealer. Bruderman Brothers LLC may, as principal, buy securities for BAM. Additionally, Bruderman Brothers, LLC may effect, for compensation, securities transactions on behalf of such clients of BAM. BAM and individuals associated with our firm will generally not execute principal transactions with clients in advisory accounts. However, BAM may execute principal transactions on behalf of Wrap Fee Program Accounts. Bruderman Brothers, LLC will only effect these transactions for advisory accounts in accordance with applicable law and regulations.

Bruderman Brothers, LLC may on rare occasions, execute “agency-cross” transactions (*i.e.*, transactions for which Bruderman Brothers, LLC acts as broker for both the client and the counterparty to the transaction). However, Bruderman Brothers, LLC will only effect these transactions for advisory accounts in accordance with applicable law and regulations.

Because Bruderman Brothers, LLC may receive compensation from the other party to such transaction, Bruderman Brothers, LLC may have a potentially conflicting division of loyalties and responsibilities in effecting agency-cross transactions. Clients who have authorized such transactions may revoke this authorization at any time by written notice to Bruderman Brothers, LLC.

We may purchase securities which we recommend to clients. To mitigate conflicts of interest where employees’ trades are favored over client trades, we will aggregate our employee purchases with our client trades and no employee or related account will be favored over any client account. No employee or related account may trade ahead of any client transactions. Our firm will maintain holdings reports and our Chief Compliance Officer will review these reports to ensure that no employees have traded ahead of our clients.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees 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.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an Advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of Advisory accounts.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm’s Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

- i. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
- ii. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
- iii. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
- iv. Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.
- v. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access

person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer.

- vi. We have established procedures for the maintenance of all required books and records.
- vii. All clients are fully informed that related persons may receive separate commission compensation when effecting transactions during the implementation process.
- viii. Clients can decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.
- ix. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- x. We have established policies requiring the reporting of Code violations to our senior management.
- xi. Any individual who violates any of the above restrictions may be subject to termination.

## **Item 12 Brokerage Practices**

Bruderman Asset Management, LLC generally does not accept directed brokerage discretion from any client, but instead requires that clients direct BAM to place trades through Bruderman Brothers, LLC and its clearing firm, National Financial Services ("NFS"), to execute transactions made for the client's account. As disclosed in Item 10 of this Brochure, BAM members are affiliated with Bruderman Brothers, LLC, a FINRA member registered broker-dealer. BAM reserves the right to decline acceptance of any client account for which the client directs the use of a broker-dealer other than Bruderman Brothers, LLC or a clearing firm other than NFS.

Bruderman Asset Management, LLC relies on NFS to meet its obligation to obtain best execution. The clients should be aware that the use of our affiliated broker-dealer and an introducing broker-dealer, as well as the commissions charged by the affiliated broker-dealer, may be higher than commissions or charges otherwise available. A potential conflict of interest exists as members of our firm may also receive brokerage commissions and other fees while acting as the broker/dealer for our advisory clients. Best execution criteria is based on a number of factors, including price, reliability and speed of execution, trade portal access reliability, access to information, and other "subjective" criteria that will vary based on the security transaction.

Clients should understand that BAM has a conflict of interest in recommending its affiliated broker-dealer and in recommending the associated services of Bruderman Brothers, LLC's clearing firm. As the affiliated broker/dealer processes more accounts and transactions through NFS, it will be able to use these transactions to meet its minimum monthly clearing fees. This provides a benefit to Bruderman Brothers, LLC, even if no additional commissions are charged. In addition, Bruderman Brothers, LLC receives other fees from NFS, such as rebates on margin account balances, based on accounts and balances carried with NFS. Clients should note that in directing the use of Bruderman Brothers, LLC and NFS, BAM will not have authority to negotiate commissions among various broker-dealers on a trade-by-trade basis and best execution may not be achieved.

Where BAM refers a client to Bruderman Brothers, LLC as introducing broker-dealer for execution, BAM may effectively have discretionary authority to determine commission rates.

BAM will ensure that Bruderman Brothers, LLC charges rates that are either (1) specially-negotiated to reflect discounts available by virtue of the affiliation between Bruderman Brothers, LLC and BAM; or (2) competitive with other full-service brokerage firms offering execution and other services. BAM cannot, however, guarantee that the commissions charged by any broker-dealer used for execution will be the lowest available rates. Clients may be able to obtain similar services at higher or lower commission rates.

BAM may, but shall not be obligated to, aggregate orders for advisory accounts with orders for other advisory accounts or clients. BAM will allocate securities purchased or sold, as well as the expense incurred in the transaction, in a manner that it considers to be equitable and consistent with its fiduciary obligations to clients. Trade aggregation may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. BAM will typically aggregate trades among clients whose accounts can be traded at a given broker. BAM's aggregated trading policy and procedures are as follows:

- 1) Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with BAM.
- 2) The trading desk in concert with the portfolio manager/investment committee must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.
- 3) The portfolio manager must reasonably believe that the order aggregation will benefit, and will enable BAM to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best reliability and speed of execution, trade portal access reliability, access to information, and other "subjective" criteria that will vary based on the security transaction.
- 4) Prior to entry of an aggregated order, a written order ticket must be completed, which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients.
- 5) If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.
- 6) Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order, and must share in the commissions on a pro rata basis in proportion to the client's participation. Under the client's agreement with the NFS, transaction costs may be based on the number of shares traded for each client.

- 7) If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be documented no later than the morning following the execution of the aggregate trade.
- 8) BAM's client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.
- 9) Funds and securities for aggregated orders are clearly identified on BAM's records and to its broker-dealer, by the appropriate account numbers for each participating client.
- 10) No client or account will be favored over another.

Accounts in these programs will be in the custody of National Financial Services, Inc. (NFS). Clients must include any limitations on this discretionary authority in written statement. Clients may change/amend these limitations as required.

Some mutual funds that may be purchased for an advisory account pay annual distribution charges to broker-dealers, sometimes referred to as "12b-1 fees" and these 12b-1 fees may be partially re-allocated to BAM.

BAM ensures that our clients receive best execution services based on a total mix of all factors and services, as well as quality of execution and products offered by performing a periodic review of these factors.

BAM has not accepted and does not receive any soft dollar compensation. As well, our firm does not receive brokerage incentives for client referrals.

## **Item 13   Review of Accounts**

### **PORTFOLIO MANAGEMENT AND SEPARATE ACCOUNT MANAGEMENT**

**REVIEWS:** The underlying securities within each portfolio are continuously monitored for appropriateness based on the specific portfolio strategy as initially implemented in an effort to ensure that the strategy meets its stated objective. Members of the BAM investment committee along with support staff review portfolio composition and individual holdings in varying intervals depending on the security type. However, clients must be aware that this review is done in the context of the portfolio and not the individual client. Clients must report changes in their financial circumstances, investment objectives, risk tolerance or other relevant matters to their investment consultant in a timely manner in order for these conditions to be taken into account when reviewing a client's specific investment allocation.

The above noted accounts are reviewed by: Michael Murphy, Chief Investment Officer and committee chair and the members of BAM's Investment Committee, who are currently Michael Murphy, Matthew J. Bruderman, James Bruderman, William Krivicich, and Oliver Pursche.

The (i) Select Trac MF and ETF, (ii) Tactical ETF, (iii) Select Trac Equities, (iv) Select Trac Buster, (v) Advisor Plus, and (vi) Fund Trac/Variable Annuity and Linked Account Programs are reviewed by William Krivicich, Chief Investment Officer and the members of the Strategic Investment Committee, who are currently William Krivicich, Gary Goldberg, Richard Kersting, and Peter Dedel.

**REPORTS:** Clients receive monthly statements and confirmations of transactions from their broker-dealer. Additional reports summarizing account performance, balances, and holdings may be delivered, if separately contracted by the client.

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

### **CLIENT REFFERALS**

BAM currently has entered into referral fee arrangements. BAM may, in the future, enter into solicitation agreements through which it will receive compensation for referring clients to other investment advisory programs. Where BAM acts a solicitor, the firm will refer investors to other advisors and receive a referral fee for doing so. At such time that BAM enters into such a relationship, it will provide a separate disclosure statement describing the arrangement and the compensation to be paid to BAM. BAM will also provide the client with the other advisor's disclosure documents. In all cases, solicitation fees or referral fees are paid out of the advisor's stated management fee; clients do not pay an additional fee to BAM.

BAM has entered into solicitation agreements through which it will pay referral fees to a solicitor for referring clients to our firm. In addition, BAM associates are compensated through receipt of a portion of the asset-based fee. As such, they receive more compensation when they bring in new clients to BAM, and that compensation may be more than what the person would receive if the client participated in other programs, or paid separately for investment advice, brokerage, and other services.

In addition, the firm periodically offers incentive arrangements whereby associates receive a higher level of compensation based on assets brought to the firm in a specific time period. Therefore, BAM's associates have a financial incentive to recommend the Programs over other programs or services.

BAM may from time to time pay referral fees to our affiliated broker/dealer, or its employees, for referrals of clients, where allowable by law. These referral fees would be paid out of the Program Fees paid to BAM so there would be no additional charge to the referred client.

### **OTHER COMPENSATION**

As certain members of our advisor are also registered representatives with Bruderman Brothers, LLC. our officers and representatives are eligible to receive incentive awards (including prizes such as trips or bonuses) for recommending certain types of securities or insurance policies or other investment products that we recommend.

While we endeavor at all times to put the interest of our clients first as part of our fiduciary duty, the possibility of receiving incentive awards creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

## **Item 15 Custody**

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits Advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

Aside from the direct debiting of advisory fees, our firm does not have actual or constructive custody of client accounts.

## **Item 16 Investment Discretion**

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- Determine the security to buy or sell; and/or
- Determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

## **Item 17 Voting Client Securities**

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment Advisory services relative to client investment assets, 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. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We may provide clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business.

## **Item 18 Financial Information**

As an Advisory firm that maintains discretionary authority for clients' accounts, we are also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. Bruderman Asset Management, LLC has no additional financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

Bruderman Asset Management, LLC has not been the subject of a bankruptcy petition at any time during the past ten years.