

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

Item 1 Cover Page

**FORM ADV PART 2A**

**Firm Brochure  
For  
Benchmark Capital Advisors, Inc.**

**40 Wall Street  
Suite 500  
New York, New York 10005**

**March 23, 2016**

**Contact:  
Lorraine A. DiPaolo  
President  
212-607-5431 (voice)  
212-607-5484 (fax)  
[ldipaolo@necsec.com](mailto:ldipaolo@necsec.com)**

**[www.necsec.com](http://www.necsec.com)**

*This brochure provides information about the qualifications and business practices of Benchmark Capital Advisors, Inc. If you have any questions about the contents of this Brochure, please contact us at 212-607-5431 or [ldipaolo@necsec.com](mailto:ldipaolo@necsec.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Please note that while Benchmark Capital Advisors, Inc. is a "registered investment adviser" being "registered" should not be interpreted as having any official or required level of training or skill.*

*Additional information about Benchmark Capital Advisors, Inc. is also available on the SEC's website at [www.adviserinfo.seagov](http://www.adviserinfo.seagov).*

## Item 2 Material Changes

This is the eighth amended FORM ADV PART 2A brochure for Benchmark Capital Advisors, Inc. (the “Firm”), dated March 23, 2016.

The only material change to this Brochure since the previous filing, dated March 30, 2015, is that Item 10(C)(2), Material Relationships, is amended to delete JSH Partners LP, a former affiliate of the Firm.

.

### Item 3 Table of Contents

#### Contents

Item 1	Cover Page .....	1
Item 2	Material Changes .....	2
Item 3	Table of Contents .....	3
Item 4	Advisory Business .....	4
Item 5	Fees and Compensation .....	6
Item 6	Performance-Based Fees and Side-By-Side Management .....	9
Item 7	Types of Clients .....	10
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss .....	11
Item 9	Disciplinary Information .....	12
Item 10	Other Financial Industry Activities and Affiliations .....	13
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	16
Item 12	Brokerage Practices .....	17
Item 13	Review of Accounts .....	19
Item 14	Client Referrals and Other Compensation .....	20
Item 15	Custody .....	21
Item 16	Investment Discretion .....	22
Item 17	Voting Client Securities .....	23
Item 18	Financial Information .....	24

#### Item 4 Advisory Business

- A. Description of the Firm. Benchmark Capital Advisors, Inc. (the "Firm"), a New York corporation, began operations in May 1989. Its main office is in New York, NY. The Firm also has an office in Glen Rock, NJ. The Firm is a wholly-owned subsidiary of Northeast Securities, Inc. ("Northeast"), a FINRA-member broker-dealer. Lorraine DiPaolo is the President, a Director, and Treasurer of the Firm. Rodney C. Davis is the Firm's Chief Compliance Officer. Other than registration with the SEC as an investment adviser, the Firm is not registered with other regulators and is not a member of a self-regulatory organization. The Firm has made Notice Filings with the states of California, Florida, New Jersey and New York, where some of its customers are located. The Firm uses Northeast as a broker for the Firm's client accounts. Pursuant to a clearing agreement with Pershing LLC ("Pershing"), Northeast effects client account orders through Pershing which executes and clears those transactions. Pershing maintains custody of all client assets.
- B. Types of Services. The Firm offers separately managed account services to clients. Accounts are managed on a discretionary or a non-discretionary basis and may be invested in (a) equity securities, including exchange-listed securities, securities traded over-the-counter, and foreign issuers; (b) warrants; (c) corporate debt securities; (d) commercial paper; (e) certificates of deposit; (f) municipal securities; (g) mutual fund shares, closed-end fund shares, and exchange-traded fund shares; (h) United States government securities; (i) options contracts in securities; and (j) interests in partnerships investing in real estate and oil and gas interests. The Firm actively manages municipal and corporate fixed income portfolios for institutions and high net worth individuals. The Firm structures all portfolios concentrating on credit risk, duration, liquidity and maximization of total return on an after-tax basis. When consistent with the client's stated investment objectives and tolerance for risk, need for liquidity and other suitability factors, the Firm may also recommend private offerings and/or limited investment partnerships, such as hedge funds and other pooled investment partnerships for a client account.
- C. Client Tailored Services and Client Tailored Restrictions. The Firm customizes all portfolios to the needs and goals of individual clients. Each client has the opportunity to place reasonable restrictions on the types of investments that will be made on the client's behalf. At a client's request, the Firm will assist in the selection and monitoring of clients' outside managers, estate planners and tax advisors. This includes assisting in identifying accountants, lawyers, and insurance providers and discussing with clients a wide variety of concerns unique to each client.

A minimum of \$500,000 of assets under management is required. This minimum account size may be negotiable under certain circumstances. The Firm may group certain related client accounts for the purposes of achieving the minimum account size and determining the annual fee.

- D. Wrap Fee Programs. The Firm does not participate in any *wrap fee programs*.
- E. Assets under Management. The Firm provides investment advisory services on a discretionary or a non-discretionary basis. As of December 31, 2015, the Firm had a total of approximately \$192,813,679 of assets under management. The Firm's client accounts held at Northeast will typically hold some level of cash, which will be invested in money market funds affiliated with Pershing.

## Item 5 Fees and Compensation

### A. Management Fees/Transaction Fees.

1. Management Fees. The Firm's annual management fee will typically be calculated as a percentage of assets under management but, in certain circumstances, the client may be charged a fixed fee. Depending on the expected portfolio configuration of a particular account, fees may be individually negotiated with certain clients. The typical annual fees charged by the Firm are as follows:

#### Growth Accounts

- 2.0% per annum of the first \$1,000,000 of assets under management;
- 1.5% per annum of the next \$1,250,000 of assets under management;
- 1.0% per annum of the next \$3,000,000 of assets under management;
- 0.75% per annum of the balance over \$5,000,000 of assets under management.

#### Balanced Accounts

- 1.5% per annum of assets under management.

#### Fixed Income

- 0.50% per annum of assets under management.

#### Other

If preferred by a client whose account is managed with an income objective, the Firm may agree to charge a fixed fee instead of an asset-based fee.

A client may choose to have his account managed on a commission fee basis only and pay no management fee. See below for transaction fees for this type of arrangement.

Clients who elect to terminate their advisory agreements will be charged a fee pro-rated from the date on which the a management fee was last assessed to the termination date.

2. Transaction Fees: The Firm's Investment Managers are Registered Representatives of Northeast. Certain Investment Managers may participate in commissions, transaction fees and markups/markdowns earned by Northeast on any transaction for an advisory account that he manages. Pursuant to the Firm's Agreement with Northeast, commission rates and other transaction charges on securities transactions for the Firm's client accounts are paid at the time of each transaction, as follows:

Growth Accounts: Transaction fees are negotiable with a \$50 minimum fee for each transaction.

Balanced Accounts (defined as an account with a combination of bonds, stocks, exchange traded funds, closed end funds, in any combination thereof and in varying percentage allocations) transaction fees will be charged as follows: Accounts paying an advisory fee of 1.25%-1.5% per annum of assets under management: Flat fee of \$50 per transaction in stocks, exchange traded funds and closed end funds.

Accounts paying an advisory fee of 1% per annum of assets under management: Charge of \$0.10 per share with a minimum of \$50 per transaction in stocks, exchange traded funds and closed end funds.

Fixed Income Trades: Fixed income trades for all accounts are done on a “riskless principal” basis and are considered to be “principal trades” with a maximum markup/markdown of \$7.50 per bond, of which Northeast retains \$2.50 per bond and the balance is paid by Northeast to the Investment Manager at Benchmark who effects the trade as a Registered Representative of Northeast.

Accounts Not Paying an Advisory Fee: Accounts paying no advisory fee: commissions are charged at a discount from Northeast’s clearing agent’s standard commission schedule at rates no higher than 30% depending on the management methodology for each client. The Investment Manager of these accounts participates in commissions as a Registered Representative of Northeast.

- B. Payment of Fees. Clients are invoiced or have their account directly debited at the end of each calendar quarter based upon the value (market value or fair value in the absence of market value), of the client's account at the end of that quarter, except in the fourth quarter, when, for accounting purposes, the fee is paid prior to quarter end, subject to adjustment as of year end. The Firm will directly debit a client's account per written authorization from the client in the Investment Advisory Agreement.
- C. Other Fees and Expenses. The Firm’s fees are exclusive of fees and expenses charged by exchange traded funds (“ETFs”) and closed-end registered investment companies (collectively, “Funds”) to their shareholders, which are described in each Fund's prospectus. These fees generally include a management fee, other expenses, and a possible distribution fee. The client should review both the fees charged by the Funds and the fees charged by the Firm to fully understand the total amount of fees and expenses paid by the client and to evaluate the advisory services being provided.

Cash in client accounts is invested in money market funds, typically in funds managed by an affiliate of Pershing. Also see Item 12A.

Pershing charges client accounts a per-transaction fee of \$5.95 to cover service and handling costs and from time-to-time various fees for miscellaneous services, including bond redemption charge (\$7.00 per bond) and Federal Funds wires (\$25.00). These fees are shared by Pershing with Northeast and the Firm.

- D. Prepayment of Fees. Management fees are payable at the end of each quarter for investment management services performed during that quarter. However, at the end of the fourth quarter, for accounting purposes, the fee is paid prior to quarter end, subject to adjustment as of year end. If the Investment Advisory Agreement is terminated before the end of a quarter, the fee will be prorated based on the number of calendar days elapsed in the quarter through the date of termination.
- E. Transaction-Based Compensation.
1. Certain Investment Managers, who are supervised persons of the Firm are also registered representatives of Northeast. As such, they share in the commissions, markups/mark downs and transaction fees received by Northeast on transactions for an advisory account. "Supervised persons" means officers and employees of the Firm and anyone else who may be subject to the Firm's supervision.
  2. Lorraine DiPaolo, President of the Firm, does not directly receive compensation based on transactions for client accounts. However, she has a profit and loss sharing agreement with Northeast for managing the affairs of the Firm. Under this agreement, Ms. DiPaolo receives a percentage of the Firm's net profit which represents a share in all revenues, including commissions, markups/markdowns and transaction fees, generated by other personnel of the Firm who are registered with Northeast, after adjustment for all of the expenses involved in conducting the business of the Firm.

While the policies with respect to transaction-based compensation described above represent conflicts of interest between the Firm and its clients, the Firm has adopted compliance policies and procedures to address these conflicts. Because fixed income transactions include markups and markdowns, they may be considered to be principal trades with clients. Clients consent to such trades in the Firm's current form of investment management agreement and have until settlement date after trade date to cancel a fixed income trade, which is noted on the trade confirmation. Please see Item 11 regarding the Firm's Code of Ethics and Item 12 regarding the Firm's brokerage practices.



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

- A. Performance-Based Fees. The Firm does not currently charge performance-based fees. However, this type of fee may be individually negotiated with selected clients.
- B. Side-by-Side Management. The Firm does not manage any client accounts on a side-by-side management basis with private investment funds. However, two of the Firm's investment managers are general partners of private investment funds, to which the Firm provides administrative services. These funds, which are not Firm advisory clients, may invest in the same securities as do one or more Firm clients. See Item 10.C(2).

## Item 7 Types of Clients

The Firm's clients include individuals who are accredited as defined in Regulation D of the Securities Act of 1933; (b) pension and profit sharing plans; (c) trusts, estates or charitable organizations; and (d) corporations or business entities.

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

The Firm's portfolio management services consist of providing continuous and regular advice to clients regarding the investment of client funds based on each client's needs. Through discussions in which a client's goals and objectives are established, the Firm develops a client's personal investment policy and creates and manages a portfolio based on that policy. Account supervision is guided by the stated objectives of the client (e.g., growth, income, or growth and income).

The Firm will create a client portfolio consisting of one or more of the following: individual equities; bonds and other fixed-income securities; and ETFs and closed-end funds and private investment funds such as limited partnerships and oil and gas and hedge funds ("Funds"). The Firm will allocate client assets among various investments taking into consideration the overall management style selected by the client. The Firm also manages fixed-income portfolios for clients. Funds will be selected on the basis of any or all of the following criteria: performance history; industry sector in which the Fund invests; track record of the Fund's manager; the Fund's investment objectives; the Fund's management style and philosophy; and the Fund's management fee structure. Portfolio weighting of investments and sectors will be determined by each client's individual needs and circumstances. Clients may place restrictions on the types of investments which will be made on the client's behalf. Clients retain individual ownership of all securities in their accounts.

The Firm uses fundamental, technical and cyclical methods of security analysis in addition to charts and individual case-by-case analyses of potential investment and client portfolios.

The Firm obtains information from financial media, internal and external research materials, corporate rating services, timing services, Securities and Exchange Commission reports, and company press releases.

The Firm employs various investment strategies to suit the individual needs of its clients, including long-term holdings (securities held at least a year), short-term holdings (securities sold within a year), trading (securities sold within 30 days), short sales, margin transactions, and option writing, including covered options, uncovered options, and spreading strategies. Because these investment strategies involve certain additional degrees of risk, they will be considered only when consistent with the client's stated tolerance for risk.

All investments involve different degrees of risk, charges, and expenses. Clients should be aware of their risk tolerance level and financial situations at all times. Furthermore, clients should carefully read all transaction confirmations and monthly and year-end statements, and any and all prospectuses. Clients should periodically review their investment objectives, risk tolerance and investment strategies and consult with their investment managers about making any changes consistent with their current circumstances. All products sold are subject to market risk and may result in the entire loss of the client's investment.

## Item 9 Disciplinary Information

As of the date of this filing, March 23, 2016, neither the Firm nor any of its supervised persons is named or involved in any material legal or disciplinary event.

## Item 10 Other Financial Industry Activities and Affiliations

- A. Registration as a Broker-Dealer. The Firm is not registered as a broker-dealer. However, certain supervised persons are registered representatives of Northeast, and obtain transaction- based compensation from trades in client accounts.
- B. Commodities and Futures Registration. The Firm is not registered as a futures commission merchant, commodity pool operator, or commodity trading advisor. No supervised person is registered with another firm in the commodities or futures business.
- C. Material Relationships. Other than as noted below, the Firm does not have any relationship or arrangement with any of the following that is material to its advisory business.

1. Broker-dealer, municipal securities dealer, or government securities dealer or broker.

Certain supervised persons of the Firm are also owners, officers and/or registered representatives of Northeast. The Firm recommends Northeast to its advisory clients for brokerage services. Northeast may also recommend the Firm to its customers in need of advisory services. There are no referral fee arrangements between the Firm and Northeast.

The Firm's officers and employees, in their separate capacities as registered representatives of Northeast, effect securities transactions for advisory clients for which they receive separate and customary transaction-based compensation. The Firm, subject to its duty to seek best execution, will primarily use the brokerage services of Northeast for its client accounts. See Item 12 regarding the Firm's best execution practices.

2. Investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)

A supervised person of the Firm is general partner of a private investment fund, Benchmark Partners, L.P. (the "Hedge Fund"). This person receives separate and typical compensation for the services he provides to the Hedge Fund as general partner. The Hedge Fund may invest in the same securities as do one or more Firm clients. See Item 6.B.

Some advisory clients of the Firm invest in the Hedge Fund. The Firm and/or its supervised persons do not receive compensation for the referral of investors to the Hedge Fund. The Firm and Mandon, LLC, controlled by a supervised person of the Firm, provide administrative services to the Hedge Fund for which they receive separate compensation. Supervised persons of the Firm may personally invest in the Hedge Fund. The Firm will disclose to clients the above affiliation at the time of a proposed investment of client assets in the Hedge Fund.

The Hedge Fund's investment objective is to maximize capital appreciation primarily by investments in, and the short sale of, equity securities. Additional information about the Hedge Fund is included in its offering documents provided to prospective investors.

Additional disclosure information concerning the Firm and its associated persons, including their participation in the Hedge Fund, is available on the internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The site can be searched by a unique identifying number, known as a CRD number. The CRD number for the Firm is 24534.

Additionally, certain supervised persons of the Firm and Northeast are managing member(s) of LLCs and/or general partner(s) of limited partnerships formed for various other investment purposes, including 100 Wall Energy Partners, L.P. Assets of advisory clients of the Firm and clients of its affiliates may invest in such partnerships, but any decision to invest is made by the client, not the Firm. The Firm and its supervised persons may have a conflict of interest in connection with such client investments.

While the Firm, its officers and employees endeavor at all times to put the interest of the clients first, consistent with the Firm's fiduciary duty and compliance policies, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making investment decisions for client accounts.

Some of the officers and employees of the Firm may spend more than 50% of their time on these other activities.

The Firm's parent, Northeast, controls 100 Wall Asset Management which manages a pool of investments in oil and gas leases.

3. Other investment adviser or financial planner.

The Firm is under common ownership and control with Northeast Asset Management, Inc. ("NAM"), an SEC-registered investment advisor. The Firm does not have arrangements material to its advisory business with NAM and does not typically recommend the services of NAM to its advisory clients.

4. Futures commission merchant, commodity pool operator, or commodity trading adviser - None
5. Banking or thrift institution - None
6. Accountant or accounting firm - None
7. Lawyer or law firm - None

- 8. Insurance company or agency - None
  - 9. Pension consultant - None
  - 10. Real estate broker or dealer - None
  - 11. Sponsor or syndicator of limited partnerships. See Item 10.C.2 above.
- D. Business Relationships with Other Investment Advisers. The Firm does not recommend or select other investment advisers for its clients. Also see Item 10.C.3 above.

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

- A. Code of Ethics. The Firm has adopted a Code of Ethics under Rule 204A-1 of the Advisers Act that covers all employees. The Code establishes standards of ethical and professional business conduct for employees. The Firm has appointed Rod Davis as its Chief Compliance Officer (the “CCO”) as required under Rule 206(4)-7 of the Advisers Act, to administer the Code and the Firm’s other compliance policies and procedures. A copy of the Code is available on request by contacting the Firm’s CCO at the Firm’s principal office address.
- B. Recommendation/Purchase/Sale for Client Account Securities in which the Firm or a Related Person has a Material Financial Interest. Certain related persons of the Firm are managing member(s) of LLCs that act as general partners to Hedge Funds. See Item 10.C(2) above for a description of these affiliations, and disclosure of the Firm’s policies and procedures regarding conflicts of interest in recommending these Funds to advisory clients.
- C. Purchases or Sales of Securities by the Firm or a Related Person in Securities Purchased or Sold for Client Accounts. The Firm and/or its supervised persons may buy or sell securities identical to or different from those purchased or sold for client accounts and may have an interest or position in one or more of those securities.

In cases where the same security is being traded for the account of a supervised person, and a client account at the same time, the Firm aggregates trades as described in Item 12.B. In cases where it is not possible to aggregate the trades, the better execution will be allotted to the client.

Because situations described above present a conflict of interest, the Firm’s Code of Ethics stresses that no person employed by the Firm may put his/her own interests before those of advisory clients, and prohibits the use of material non-public information. The Firm requires that each supervised person with access to advisory recommendations, client holdings or other specified information provide annual securities holdings reports and quarterly transaction reports of all reportable transactions to the Firm’s CCO. These reports are reviewed on a regular basis by the Firm’s CCO.

- D. Purchases or Sales of Securities by the Firm or a Related Person in Securities being Purchased or Sold for Client Accounts at the Same Time. See Item 11.C above.



## Item 12 Brokerage Practices

- A. Brokerage Practices/Best Execution. The Firm uses its affiliated broker-dealer, Northeast, to provide brokerage services for virtually all of its client accounts, at established rates. (However, subject to conditions described below (“Directed Brokerage”), the Firm may use any other broker-dealer that a client requests to effect transactions for the client’s account.) Northeast acts as introducing agency broker for virtually all Firm client accounts. Each investment manager places orders through Northeast, and all trades are directed to Pershing for execution, settlement and custody. Fixed income trades include markups /markdowns and are considered principal trades. Most investment managers are also registered representatives of Northeast. Most trades for client accounts are specified as “not-held” limit orders for the particular trading day, with limit prices determined by each investment manager at the time the trade is placed, based on the then current market pricing and trends. Investment managers are informed immediately when orders are executed, and accordingly can check execution of each order against the trading instruction. Investment managers monitor unexecuted orders throughout the trading day, submitting new orders as necessary. Accordingly, the Firm provides “hands on” direction and oversight of orders and execution on a continuous basis. The use of Northeast, an affiliate, as introducing broker, provides consistency and efficiency for the Firm’s clients. However, the fact that investment managers, in their capacities as registered representatives of Northeast, receive transaction-based compensation from Northeast poses a potential conflict of interest.

Pershing, a broker-dealer that executes and clears client transactions effected by Northeast in accordance with their clearing arrangements, offers the Firm’s clients a Sweep Program option. Pershing and Northeast are subject to recent amendments to the Financial Responsibility Rules adopted by the SEC. The Sweep Program enables client cash in the Firm’s advisory accounts to be invested in money market funds. Certain money market funds in the Sweep Program may be sponsored by an affiliate of Pershing. The money market funds charge management fees, distribution fees and shareholder servicing fees, among other miscellaneous expenses. Because these fees might result in payment to an affiliate of Pershing, the amendments to the Financial Responsibility Rules require disclosure by Northeast and Pershing, to the Firm’s clients.

Directed Brokerage. When undertaking an advisory relationship with the Firm, some clients may have a pre-established relationship with a broker-dealer other than Northeast and will direct the Firm to place all transactions for the client’s account with that broker-dealer. Any such client will be advised by the investment manager that, under the circumstances, the Firm will not have authority to negotiate commissions or obtain volume discounts, and best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to that client and those charged to other clients.

As stated above, the supervised persons of the Firm are separately registered as representatives of Northeast, Northeast is required to supervise their securities trading activities. Clients may request that brokerage transactions be directed to a particular broker or dealer. However, if Northeast believes that the use of that broker-dealer would

hinder it in meeting its supervisory obligations, the Firm will not accept the account. In addition, the Firm reserves the right to decline acceptance of any client account for which the client directs the use of a broker-dealer if the Firm believes that this choice would hinder it in the performance of its fiduciary duty to the client and/or its ability to service the account.

- B. Trade Aggregation. The Firm may aggregate trades for its clients and may include trades for its supervised persons with client trades only when it is consistent with the Firm's duty to seek best execution (which includes the duty to seek best price under prevailing conditions) for its clients and is consistent with the terms of the Firm's Investment Advisory Agreement with each client.

### Item 13 Review of Accounts

- A. Periodic Review of Accounts. While the underlying securities within client accounts are continuously monitored, these accounts are reviewed at least quarterly by the client's investment manager and at least annually by Lorraine DiPaolo, President of the Firm. Accounts are reviewed in the context of each client's stated investment objectives and guidelines.
- B. More Frequent Review of Accounts. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.
- C. Reports to Clients. In addition to the monthly statements and confirmations of transactions that clients receive from the custodian(s)/broker-dealer(s), the Firm will typically provide semi-annual reports summarizing account performance, balances and holdings. The Firm will provide client accounts with more frequent reports at the request of a client.

#### Item 14 Client Referrals and Other Compensation

- A. Client Referrals. The Firm does not currently compensate any person (defined as a natural person or a company), either directly or indirectly, for client referrals. However, the Firm is willing to pay such compensation under appropriate circumstances, and in conformity with any applicable federal and state laws.
- B. Other Compensation. Neither the Firm nor any investment manager receives compensation other than that disclosed in Items 5.E and 12.A .

Item 15 Custody

The Firm does not have custody of any client funds or securities.

## Item 16 Investment Discretion

Discretionary Authority: The Firm manages client accounts on a discretionary basis. At account opening the Firm obtains from each client a signed Investment Advisory Agreement which includes authorization for the Firm to exercise discretion as to: (1) which securities are to be bought or sold; (2) the amount of securities to be bought or sold; (3) the broker-dealer to be used for securities transactions; (4) the commission or other charges on each transaction, generally at the rates outlined in Item 5 above; and (5) any limitations on this discretionary authority, such as the choice of the broker-dealer. A client may amend the Investment Advisory Agreement at any time to limit or expand the scope of the Firm's discretionary authority by notifying the investment manager and executing an amendment to the Investment Advisory Agreement.

## Item 17 Voting Client Securities

As a matter of policy and practice, the Firm does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for securities maintained in their portfolios.

## Item 18 Financial Information

- A. Pre-Payment of Fees. The Firm does not require pre-payment of client fees, except as follows: Fees for investment management services are payable at the end of each calendar quarter for services provided during that quarter. However, for accounting purposes, the fee that is due at the end of the fourth quarter is payable prior to the end of the fourth quarter and is subject to adjustment as of the year-end.
- B. Discretionary Authority. The Firm has discretionary authority over the majority of its client accounts. The Firm has no financial condition that is reasonably likely to impair its ability to meet its contractual commitments to its clients.
- C. Bankruptcy. Neither the Firm nor any of its related persons have ever been the subject of a bankruptcy petition.