

# **Claybrook Capital, LLC**

## **Form ADV Part 2A – Disclosure Brochure**

**Effective: January 4, 2017**

This Form ADV 2A (“Disclosure Brochure”) provides information about the qualifications and business practices of Claybrook Capital, LLC (“Claybrook” or the “Advisor”). If you have any questions about the contents of this Disclosure Brochure, please contact us at (617) 932-7927.

Claybrook is a registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”). The information in this Disclosure Brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information through Claybrook to assist you in determining whether to retain the Advisor.

Additional information about Claybrook and its advisory persons are available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or by our CRD# 286209.

**Claybrook Capital, LLC**  
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## Item 2 – Material Changes

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Form ADV 2 is divided into two parts: *Part 2A (the "Disclosure Brochure")* and *Part 2B (the "Brochure Supplement")*. The Disclosure Brochure provides information about a variety of topics relating to an Advisor's business practices and conflicts of interest. The Brochure Supplement provides information about advisory personnel of Claybrook.

Claybrook believes that communication and transparency are the foundation of its relationship with Clients and will continually strive to provide its Clients with complete and accurate information at all times. Claybrook encourages all current and prospective Clients to read this Disclosure Brochure and discuss any questions you may have with us. And of course, we always welcome your feedback.

### Material Changes

Claybrook is a new registered investment advisor. This is the initial filing of the Disclosure Brochure.

### Future Changes

From time to time, we may amend this Disclosure Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs in the business practices of Claybrook.

At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or by our CRD# 286209. You may also request a copy of this Disclosure Brochure at any time, by contacting us at (617) 932-7927.

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## **Item 4 – Advisory Services**

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### **A. Firm Information**

Claybrook Capital, LLC (“Claybrook” or the “Advisor”) is a registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”), which is organized as a Limited Liability Company (“LLC”) under the laws of the State of Delaware. Claybrook was founded in December 2016, and is owned and operated by Jerry A. Nigro (Managing Member/Partner) and Virginia Aaron (Member/Chief Compliance Officer). This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by Claybrook.

### **B. Advisory Services Offered**

Claybrook offers investment advisory services to individuals, high net worth individuals, trusts, estates and small business owners in Massachusetts and other states (each referred to as a “Client”).

#### Investment Management Services

Claybrook provides customized investment advisory solutions for its Clients. This is achieved through continuous personal Client contact and interaction while providing discretionary investment management and related advisory services. Claybrook works with each Client to identify their investment goals and objectives as well as risk tolerance and financial situation in order to create an investment strategy. Claybrook will then design a portfolio tailored to the Client that will be primarily constructed with exchange-traded funds (“ETFs”), mutual funds and dividend-paying equity securities. The Advisor may also utilize individual fixed income securities, options, alternative investments and/or other types of securities, as appropriate, to meet the needs of certain Clients. The Advisor may retain and integrate certain legacy holdings into its investment strategies, if appropriate to meet the objectives of the Client.

Claybrook’s investment strategy is primarily long-term focused, but the Advisor may buy, sell or re-allocate positions that have been held less than one year to meet the objectives of the Client or due to market conditions. Claybrook will construct, implement and monitor the portfolio to ensure it meets the goals, objectives, circumstances, and risk tolerance agreed to by the Client. Each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to acceptance by the Advisor. Claybrook evaluates and selects investments for inclusion in Client portfolios only after applying its internal due diligence process. Claybrook may recommend, on occasion, redistributing investment allocations to diversify the portfolio. The Advisor may recommend employing cash positions as a possible hedge against market movement. Claybrook may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position[s] in the portfolio, change in risk tolerance of Client, generating cash to meet Client needs, or any risk deemed unacceptable for the Client’s risk tolerance.

Claybrook will provide investment advisory services and portfolio management services and will not provide securities custodial or other administrative services. At no time will Claybrook accept or maintain custody of a Client’s funds or securities, except for authorized deduction of the Advisor’s fees. All Client assets will be managed within their designated brokerage account, pursuant to the investment advisory agreement.

#### Financial Planning Services

Claybrook will typically provide a variety of financial planning services to individuals and families, pursuant to a written financial planning agreement. Services are offered in several areas of a Client’s financial situation, depending on their goals, objectives and financial situation. Generally, such financial planning services will involve preparing a financial plan or rendering a financial consultation based on the Client’s financial goals and objectives. This planning or consulting may encompass one or more areas of need, including, but not limited to investment planning, retirement planning, personal savings, education savings and other areas of a Client’s financial situation.

A financial plan developed for or financial consultation rendered to the Client will usually include general recommendations for a course of activity or specific actions to be taken by the Client. For example, recommendations may be made that the Client start or revise their investment programs, commence or alter

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retirement savings, establish education savings and/or charitable giving programs. Claybrook may also refer Clients to an accountant, attorney or another specialist, as appropriate for their unique situation. For certain financial planning engagements, the Advisor will provide a written summary of the Client's financial situation, observations, and recommendations. For consulting or ad-hoc engagements, the Advisor may not provide a written summary. Plans or consultations are typically completed within six months of contract date, assuming all information and documents requested are provided promptly.

Financial planning recommendations may pose a potential conflict between the interests of the Advisor and the interests of the Client. For example, a recommendation to engage the Advisor for investment management services or to increase the level of investment assets with the Advisor would pose a conflict, as it would increase the advisory fees paid to the Advisor. Clients are not obligated to implement any recommendations made by the Advisor or maintain an ongoing relationship with the Advisor. If the Client elects to act on any of the recommendations made by the Advisor, the Client is under no obligation to effect the transaction through the Advisor.

### **C. Client Account Management**

Prior to engaging Claybrook to provide investment advisory services, each Client is required to enter into one or more agreements with the Advisor that define the terms, conditions, authority and responsibilities of the Advisor and the Client. These services may include:

- Establishing an Investment Strategy – Claybrook, in connection with the Client, will develop an investment strategy for the Client that is targeted to achieve the Client's objectives.
- Asset Allocation – Claybrook will develop a strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation and tolerance for risk for each Client.
- Portfolio Construction – Claybrook will develop a portfolio for the Client that is intended to meet the stated goals and objectives of the Client.
- Investment Management and Supervision – Claybrook will provide investment management and ongoing oversight of the Client's investment portfolio.

### **D. Wrap Fee Programs**

Claybrook does not manage a wrap fee program.

### **E. Assets Under Management**

Claybrook is a newly established advisor. Assets under management shall be reported following the Advisor's December 31, 2016 fiscal year end. Clients may request more current information at any time by contacting the Advisor.

## **Item 5 – Fees and Compensation**

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The following paragraphs detail the fee structure and compensation methodology for services provided by the Advisor. Each Client shall sign an investment advisory agreement that details the responsibilities of Claybrook and the Client.

### **A. Fees for Advisory Services**

#### Investment Management Services

Investment advisory fees are paid quarterly, in advance of each calendar quarter, pursuant to the terms of the investment advisory agreement. Investment advisory fees are calculated based on the market value of assets under management at the end of the previous calendar quarter. Investment advisory fees are based on the following schedule:

<b>Assets Under Management</b>	<b>Annual Rate (%)</b>
First \$5,000,000	1.00%
Next \$10,000,000	0.75%
Next \$10,000,000	0.50%
Next \$25,000,000	0.40%
Over \$50,000,000	0.30%

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The investment advisory fee in the first quarter of service is prorated from the inception date of the account[s] to the end of the first quarter. Fees may be negotiable at the sole discretion of the Advisor. Certain Clients may also be offered a fixed dollar fee arrangement. The Client's fees will take into consideration the aggregate assets under management with Advisor. All securities held in accounts managed by Claybrook will be independently valued by the Custodian. Claybrook will not have the authority or responsibility to value portfolio securities.

#### Financial Planning Services

Claybrook offers financial planning services at an hourly rate of up to \$350 per hour or based on a fixed engagement fee. Fixed fee engagements are negotiated based on the expected hours to complete the engagement at the Advisor's hourly rate. Fees may be negotiable depending on the nature and complexity of each Client's circumstances and the experience of the personnel providing services. An estimate for total hours and/or costs will be provided to the Client in advance of engaging for these services.

The Advisor's fee is exclusive of, and in addition to, brokerage fees, transaction fees, and other related costs and expenses, which may be incurred by the Client. However, the Advisor shall not receive any portion of these commissions, fees, and costs.

### **B. Fee Billing**

#### Investment Management Services

Investment advisory fees will be calculated by the Advisor or its delegate and deducted from the Client's account[s] at the Custodian. The Advisor shall send an invoice to the Custodian indicating the amount of the fees to be deducted from the Client's account[s] at the respective quarter-end date. The amount due is calculated by applying the quarterly rate (annual rate divided by 4) to the total assets under management with Claybrook at the end of the previous quarter. Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the investment advisory fee. It is the responsibility of the Client to verify the accuracy of these fees as listed on the Custodian's statement as the Custodian does not assume this responsibility. Clients provide written authorization permitting Claybrook to be paid directly from their accounts held at the Custodian as part of the investment advisory agreement and separate account forms provided by the Custodian.

The Client may make additions or withdrawals from the account[s] at any time, subject to the Advisor's right to terminate an account or the overall relationship. Additions may be in cash or securities provided that the Advisor reserves the right to liquidate any transferred securities or decline to accept particular securities into a Client's account[s]. Clients may withdraw account assets on notice to Claybrook, subject to the usual and customary securities settlement procedures. However, the Advisor typically designs its investment portfolios as long-term investments and the withdrawal of assets may impair the achievement of a Client's investment objectives. Claybrook may consult the Client about the implications of such transactions. Clients are advised that when such securities are liquidated, they may be subject to securities transaction fees, short-term redemption fees, and/or tax ramifications. If assets in excess of \$50,000 are deposited into or withdrawn from the Client's account[s], an adjustment will be made in the next billing period to reflect the fee difference. The Advisor may negotiate a fee that differs from the schedule above for certain account[s] or holdings.

#### Financial Planning Services

Financial planning fees are invoiced up to fifty percent (50%) upon execution of the financial planning agreement and with the balance due upon receipt of the agreed upon deliverable[s].

### **C. Other Fees and Expenses**

Clients may incur certain fees or charges imposed by third parties, other than Claybrook, in connection with investments made on behalf of the Client's account[s]. The Client is responsible for all custody and securities execution fees charged by the Custodian and executing broker-dealer (if separate firms). The investment advisory fee charged by Claybrook is separate and distinct from these custody and execution fees.

In addition, all fees paid to Claybrook for investment advisory services are separate and distinct from the expenses charged by mutual funds and exchange-traded funds to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a

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possible distribution fee. The Client should review both the fees charged by the fund[s] and the fees charged by Claybrook to fully understand the total fees to be paid.

#### **D. Advance Payment of Fees and Termination**

##### Investment Management Services

Claybrook is compensated for its services in advance of the quarter in which investment advisory services are rendered. Either party may terminate the investment advisory agreement with Claybrook, at any time, by providing advance written notice to the other party. The Client shall be responsible for investment advisory fees up to and including the effective date of termination. Upon termination, the Advisor will refund any unearned, prepaid investment advisory fees from the effective date of termination to the end of the quarter. The Client's investment advisory agreement with the Advisor is non-transferable without the Client's written approval.

##### Financial Planning Services

Claybrook may be partially compensated for its financial planning services at the start of the engagement. Either party may terminate the financial planning agreement, at any time, by providing written notice to the other party. In addition, the Client may terminate the agreement within five (5) business days of signing the agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. Upon termination, the Client shall be billed for actual hours logged on the planning project times the agreed upon hourly rate or the percentage completion for a fixed fee engagement. Any unearned, prepaid fees will be promptly refunded. The Client's financial planning agreement with the Advisor is non-transferable without the Client's written approval.

#### **E. Compensation for Sales of Securities**

Claybrook does not buy or sell securities to generate commission revenue and is solely compensated through the investment advisory fees noted above.

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

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Claybrook does not charge performance-based fees for its investment advisory services. The fees charged by Claybrook are as described in "Item 5 – Fees and Compensation" above and are not based upon the capital appreciation of the funds or securities held by any Client.

Claybrook does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend any particular investment options to its Clients.

#### **Item 7 – Types of Clients**

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Claybrook offers investment advisory services to individuals, high net worth individuals, trusts, estates and small business owners. The relative percentage of each type of Client is available on Claybrook's Form ADV Part 1. These percentages will change over time. Claybrook typically requires a minimum relationship size of \$1,000,000. The Advisor may reduce this minimum at its sole discretion. Also certain investment strategies may require a minimum for effective implementation.

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

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##### **A. Methods of Analysis**

Claybrook primarily employs fundamental analysis methods in developing investment strategies for its Clients, but may employ other methods. Research and analysis from Claybrook is derived from numerous sources, including financial media companies, third-party research materials, Internet sources, and review of company activities, including annual reports, prospectuses, press releases and research prepared by others.

As noted above, Claybrook generally employs a long-term investment strategy for its Clients, as consistent with their financial goals. Claybrook will typically hold all or a portion of a security for more than a year, but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of Clients. At times,



Claybrook may also buy and sell positions that are more short-term in nature, depending on the goals of the Client and/or the fundamentals of the security, sector or asset class.

## **B. Risk of Loss**

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. Claybrook will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.

Fundamental analysis utilizes economic and business indicators as investment selection criteria. These criteria are generally ratios and trends that may indicate the overall strength and financial viability of the entity being analyzed. Assets are deemed suitable if they meet certain criteria to indicate that they are a strong investment with a value discounted by the market. While this type of analysis helps the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the fundamental analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor's review process are included below in "Item 13 – Review of Accounts".

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account. The Advisor shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Advisor of any changes in financial condition, goals or other factors that may affect this analysis.

The risks associated with a particular strategy are provided to each Client in advance of investing Client accounts. The Advisor will work with each Client to determine their tolerance for risk as part of the portfolio construction process. **Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor.**

## **Item 9 – Disciplinary Information**

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There are no legal, regulatory or disciplinary events to disclose. Claybrook and its advisory personnel value the trust you place in us. As we advise all Clients, we encourage you to perform the requisite due diligence on any advisor or service provider with whom you partner. Our backgrounds are on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or by our CRD# 286209.

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

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The sole business of Claybrook is to provide investment advisory services to its Clients. Neither Claybrook nor its advisory personnel are involved in other business endeavors. Claybrook does not maintain any affiliations with other firms, other than contracted service providers to assist with the servicing of its Client's accounts.

### Relationship with Dynasty Financial Partners, LLC

Claybrook maintains a business relationship with Dynasty Financial Partners, LLC ("Dynasty"), which provides the Advisor with operational and back office support including access to a network of service providers. Through the Dynasty network of service providers, Claybrook has access to trading technology, transition support, reporting, custody, brokerage, investments, compliance and other related services. Claybrook seeks at all times to ensure that any material conflicts are addressed on a fully-disclosed basis and handled in a manner that is aligned with its Clients' best interests.



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

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### **A. Code of Ethics**

Claybrook has implemented a Code of Ethics that defines our fiduciary commitment to each Client. This Code of Ethics applies to all persons associated with Claybrook (herein our "Supervised Persons"). The Code of Ethics was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. Claybrook and its personnel owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of Claybrook Supervised Persons to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code of Ethics covers a range of topics that address ethics and conflicts of interest. To request a copy of our Code of Ethics, please contact us at (617) 932-7927.

### **B. Personal Trading with Material Interest**

Claybrook allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Claybrook does not act as principal in any transactions. In addition, the Advisor does not act as the general partner of a fund, or advise an investment company. Claybrook does not have a material interest in any securities traded in Client accounts.

### **C. Personal Trading in Same Securities as Clients**

Claybrook allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities we recommend (purchase or sell) to you presents a potential conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies and procedures. As noted above, we have adopted, consistent with Section 204A of the Investment Advisers Act of 1940, a Code of Ethics, which addresses insider trading (material non-public information controls) and personal securities reporting procedures. When trading for personal accounts, Supervised Persons of Claybrook may have a conflict of interest if trading in the same securities. The fiduciary duty to act in the best interest of its Clients can potentially be violated if personal trades are made with more advantageous terms than Client trades, or by trading based on material non-public information. This risk is mitigated by Claybrook requiring reporting of personal securities trades by its employees for review by the Chief Compliance Officer ("CCO"). We have also adopted written policies and procedures to detect the misuse of material, non-public information.

### **D. Personal Trading at Same Time as Client**

While Claybrook allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients, such trades are typically aggregated with Client orders or traded afterwards. **At no time will Claybrook, or any Supervised Person of Claybrook, transact in any security to the detriment of any Client.**

## **Item 12 – Brokerage Practices**

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### **A. Recommendation of Custodian[s]**

Claybrook does not maintain custody of Client assets and does not have discretionary authority to select the custodian for custody and execution services. The Client will select the custodian (herein the "Custodian") to safeguard Client assets and authorize Claybrook to trade within its account[s] at the Custodian, unless otherwise directed by the Client. Claybrook will recommend the Custodian and assist with the paperwork for establishing account[s]. Through the investment advisory agreement and Custodian agreements, the Client shall authorize Claybrook to access the Client's account[s] and effect securities trades.

Where Claybrook does not exercise discretion over the selection of the Custodian, it may recommend the Custodian to Clients for execution and/or custody services. Claybrook may recommend the Custodian based on criteria such as, but not limited to, reasonableness of commissions charged to the Client, services made available to the Client, and the Custodian's reputation. Claybrook does not receive research services, other products, or compensation as a result of recommending a particular Custodian that may result in the Client paying higher commissions than those obtainable through other broker-dealers/custodians. Claybrook typically recommends that Clients establish accounts at either Fidelity Investments, Inc. and its related entities ("Fidelity") or Charles Schwab, Inc. ("Schwab").

Following are additional details regarding the brokerage practices of the Advisor:

**1. Soft Dollars** - Soft dollars are revenue programs offered by broker-dealers whereby an advisor enters into an agreement to place security trades with the broker in exchange for research and other services. Claybrook does not participate in soft dollar programs sponsored or offered by any broker-dealer/custodian. However, Claybrook does receive economic benefits in connection with its institutional relationships with Fidelity and Schwab. Please see Item 14 below.

**2. Brokerage Referrals** - Claybrook does not receive any compensation from any third party in connection with the recommendation for establishing a brokerage account.

**3. Directed Brokerage** - Clients are generally serviced on a “directed brokerage basis”, where Claybrook will place trades within the established account[s] at the Custodian designated by the Client. If authorized, the Advisor may trade away from the Custodian for certain investment types or strategies with the objective of obtaining more favorable execution for Clients. In such instances, Advisory Persons of the Advisor may purchase blocks of securities in their separate capacity with PKS and allocate such investments to Clients. These transactions are considered principal transactions (i.e., trade of any security from or to the Advisor’s or Advisory Person’s own account[s]).

Claybrook does not engage in cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client’s account[s]). Claybrook will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the Custodian.

## **B. Aggregating and Allocating Trades**

The primary objective in placing orders for the purchase and sale of securities for Client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the Custodian. Claybrook will execute its transactions through the Custodian as established by the Client [or another broker as directed by the Client]. Claybrook may aggregate orders in a block trade or trades when securities are purchased or sold through the same broker-dealer/custodian for multiple (discretionary) accounts. If a block trade 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 in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage particular Client accounts.

## **Item 13 – Review of Accounts**

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### **A. Frequency of Reviews**

Investments in Client accounts are monitored on a regular and continuous basis by Mr. Nigro. Formal reviews are generally conducted at least annually or more or less frequently depending on the needs of the Client.

### **B. Causes for Reviews**

In addition to the investment monitoring noted in Item 13.A., each Client account shall be reviewed at least annually. Reviews may be conducted more or less frequently at the Client’s request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client’s financial situation, and/or large deposits or withdrawals in the Client’s account[s]. The Client is encouraged to notify Claybrook if changes occur in the Client’s personal financial situation that might adversely affect the Client’s investment plan. Additional reviews may be triggered by material market, economic or political events.

### **C. Review Reports**

The Client will receive brokerage statements no less than quarterly from the Custodian. These brokerage statements are sent directly from the Custodian to the Client. The Client may also establish electronic access to the Custodian’s website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client’s account[s]. The Advisor may

also provide Clients with periodic reports regarding their holdings, allocations, and performance.

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

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### **A. Compensation Received by Claybrook**

Claybrook is a fee-only advisory firm, who, in all circumstances, is compensated solely by the Client. Claybrook does not receive commissions or other compensation from product sponsors, broker-dealers or any un-related third party. Claybrook may refer Clients to various third parties to provide certain financial services necessary to meet the goals of its Clients. Likewise, Claybrook may receive referrals of new Clients from a third-party.

### Participation in Institutional Advisor Platform

Claybrook has established institutional relationships with Fidelity and Schwab (the "Institutional Platforms") to assist the Advisor in managing Client accounts. Access to these Institutional Platforms is provided at no charge to the Advisor. The Advisor receives access to software and related support without cost because the Advisor renders investment management services to Clients that maintain assets at the Institutional Platforms. The software and related systems support may benefit the Advisor, but not its Clients directly. In fulfilling its duties to its Clients, the Advisor endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits from the Institutional Platforms creates a potential conflict of interest since these benefits may influence the Advisor's recommendation of a Custodian over another that does not furnish similar software, systems support, or services.

Additionally, the Advisor may receive the following benefits from the Institutional Platforms: receipt of duplicate Client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its institutional participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to Client accounts; and access to an electronic communication network for Client order entry and account information.

### **B. Client Referrals from Solicitors**

Claybrook does not engage paid solicitors for Client referrals.

## **Item 15 – Custody**

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Claybrook does not accept or maintain custody of any Client accounts, except for the authorized deduction of the Advisor's fee. All Clients must place their assets with a qualified custodian. Clients are required to engage the Custodian to retain their funds and securities and direct Claybrook to utilize the Custodian for the Client's security transactions. Claybrook encourages Clients to review statements provided by the Custodian. For more information about custodians and brokerage practices, see "Item 12 - Brokerage Practices".

## **Item 16 – Investment Discretion**

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Claybrook generally has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by Claybrook. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client's execution of an investment advisory agreement containing all applicable limitations to such authority. All discretionary trades made by Claybrook will be in accordance with each Client's investment objectives and goals.

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

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Claybrook does not accept proxy-voting responsibility for any Client. Clients will generally receive proxy statements directly from the Custodian. If the Client directs the Custodian to deliver proxy statements to the Advisor, the Client is advised that the Advisor does not assume voting responsibility. The Advisor will assist in answering questions relating to proxies, however, the Client retains the sole responsibility for proxy decisions and voting.

## Item 18 – Financial Information

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Neither Claybrook, nor its management, have any adverse financial situations that would reasonably impair the ability of Claybrook to meet all obligations to its Clients. Neither Claybrook, nor any of its advisory persons, has been subject to a bankruptcy or financial compromise. Claybrook is not required to deliver a balance sheet along with this Disclosure Brochure as the Advisor does not collect fees of \$1,200 or more for services to be performed six months or more in advance.

## **Form ADV Part 2B – Brochure Supplement**

**for**

**Jerry A. Nigro  
CEO and Senior Wealth Advisor**

**Effective: January 4, 2017**

This Form ADV 2B (“Brochure Supplement”) provides information about the background and qualifications of Jerry A. Nigro (CRD# 2294851) in addition to the information contained in the Claybrook Capital, LLC (“Claybrook” or the “Advisor”, CRD# 286209) Disclosure Brochure. If you have not received a copy of the Disclosure Brochure or if you have any questions about the contents of the Claybrook Disclosure Brochure or this Brochure Supplement, please contact us at (617) 932-7927.

Additional information about Mr. Nigro is available on the SEC’s Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with his full name or his Individual CRD# 2294851.

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## Item 2 – Educational Background and Business Experience

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Jerry A. Nigro, born in 1970, is dedicated to advising Clients of Claybrook as the CEO and Senior Wealth Advisor. Mr. Nigro earned a B.S. in Family Financial Management from The Ohio State University in 1992. Additional information regarding Mr. Nigro's employment history is included below.

### Employment History:

CEO/Senior Wealth Advisor, Claybrook Capital, LLC	12/2016 to Present
Managing Direct and Financial Advisor, Robertson Stephens Advisors and Robertson Stephens Securities	06/2015 to 12/2016
Senior Vice President and Senior Portfolio Manager, UBS Financial Services Inc.	06/2008 to 06/2015
Vice President and Financial Advisor, Goldman, Sachs & Co.	10/2000 to 06/2008

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## Item 3 – Disciplinary Information

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***There are no legal, civil or disciplinary events to disclose regarding Mr. Nigro.*** Mr. Nigro has never been involved in any regulatory, civil or criminal action. There have been no client complaints, lawsuits, arbitration claims or administrative proceedings against Mr. Nigro.

Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and/or dishonest, unfair or unethical practices. ***As previously noted, there are no legal, civil or disciplinary events to disclose regarding Mr. Nigro.*** However, we do encourage you to independently view the background of Mr. Nigro on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with his full name or his Individual CRD# 2294851.

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## Item 4 – Other Business Activities

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Mr. Nigro does not have additional business activities or compensation to disclose.

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## Item 5 – Additional Compensation

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Mr. Nigro does not have additional business activities or compensation to disclose.

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## Item 6 – Supervision

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Mr. Nigro serves as the CEO and Senior Wealth Advisor of Claybrook. Mr. Nigro is also supervised by Virginia Aaron, the Chief Compliance Officer. Ms. Aaron can be reached at (617) 932-7927.

Claybrook has implemented a Code of Ethics and internal compliance that guide each Supervised Person in meeting their fiduciary obligations to Clients of Claybrook. Further, Claybrook is subject to regulatory oversight by various agencies. These agencies require registration by Claybrook and its Supervised Persons. As a registered entity, Claybrook is subject to examinations by regulators, which may be announced or unannounced. Claybrook is required to periodically update the information provided to these agencies and to provide various reports regarding the business activities and assets of the Advisor.

## **Form ADV Part 2B – Brochure Supplement**

**for**

**Virginia E. Aaron  
Managing Director  
Chief Compliance Officer**

**Effective: January 4, 2017**

This Form ADV 2B (“Brochure Supplement”) provides information about the background and qualifications of Virginia E. Aaron (CRD# 5046672) in addition to the information contained in the Claybrook Capital, LLC (“Claybrook” or the “Advisor”, CRD# 286209) Disclosure Brochure. If you have not received a copy of the Disclosure Brochure or if you have any questions about the contents of the Claybrook Disclosure Brochure or this Brochure Supplement, please contact us at (617) 932-7927.

Additional information about Ms. Aaron is available on the SEC’s Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with her full name or her Individual CRD# 5046672.



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## Item 2 – Educational Background and Business Experience

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Virginia E. Aaron, born in 1979, is dedicated to advising Clients of Claybrook as the Managing Director and the firm's Chief Compliance Officer. Ms. Aaron earned a B.A. in Psychology from the University of Massachusetts-Boston in 2004. Additional information regarding Ms. Aaron's employment history is included below.

### Employment History:

Managing Director/Chief Compliance Officer, Claybrook Capital, LLC	12/2016 to Present
Client Relationship Manager, Robertson Stephens Advisors and Robertson Stephens Securities	06/2015 to 12/2016
Senior Registered Client Service Associate, UBS Financial Services Inc.	06/2008 to 06/2015
Client Service Associate, Morgan Stanley	09/2005 to 06/2008

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## Item 3 – Disciplinary Information

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***There are no legal, civil or disciplinary events to disclose regarding Ms. Aaron.*** Ms. Aaron has never been involved in any regulatory, civil or criminal action. There have been no client complaints, lawsuits, arbitration claims or administrative proceedings against Ms. Aaron.

Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and/or dishonest, unfair or unethical practices. ***As previously noted, there are no legal, civil or disciplinary events to disclose regarding Ms. Aaron.*** However, we do encourage you to independently view the background of Ms. Aaron on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with her full name or her Individual CRD# 5046672.

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## Item 4 – Other Business Activities

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Ms. Aaron does not have additional business activities or compensation to disclose.

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## Item 5 – Additional Compensation

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Ms. Aaron does not have additional business activities or compensation to disclose.

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## Item 6 – Supervision

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Ms. Aaron serves as the Managing Director and the Chief Compliance Officer of Claybrook. Ms. Aaron can be reached at (617) 932-7927.

Claybrook has implemented a Code of Ethics and internal compliance that guide each Supervised Person in meeting their fiduciary obligations to Clients of Claybrook. Further, Claybrook is subject to regulatory oversight by various agencies. These agencies require registration by Claybrook and its Supervised Persons. As a registered entity, Claybrook is subject to examinations by regulators, which may be announced or unannounced. Claybrook is required to periodically update the information provided to these agencies and to provide various reports regarding the business activities and assets of the Advisor.

## Privacy Policy

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Effective: January 4, 2017

### Our Commitment to You

Claybrook Capital, LLC ("Claybrook" or the "Advisor") is committed to safeguarding the use of personal information of our Client's (also referred to as "you" and "your") that we obtain as your Investment Advisor, as described here in our Privacy Policy ("Policy").

Our relationship with you is our most important asset. We understand that you have entrusted us with your private information, and we do everything that we can to maintain that trust. Claybrook (also referred to as "we", "our" and "us") protects the security and confidentiality of the personal information we have and implements controls to ensure that such information is used for proper business purposes in connection with the management or servicing of our relationship with you.

Claybrook does not sell your non-public personal information to anyone. Nor do we provide such information to others except for discrete and reasonable business purposes in connection with the servicing and management of our relationship with you, as discussed below.

Details of our approach to privacy and how your personal non-public information is collected and used are set forth in this Policy.

### Why you need to know?

Registered investment advisors ("RIAs") must share some of your personal information in the course of servicing your account. Federal and State laws give you the right to limit some of this sharing and require RIAs to disclose how we collect, share, and protect your personal information.

### What information do we collect from you?

Social security or taxpayer identification number	Assets and liabilities
Name, address and phone number(s)	Income and expenses
E-mail address(es)	Investment activity
Account information (including other institutions)	Investment experience and goals

### What Information do we collect from other sources?

Custody, brokerage and advisory agreements	Account applications and forms
Other advisory agreements and legal documents	Investment questionnaires and suitability documents
Transactional information with us or others	Other information needed to service account

### How do we protect your information?

To safeguard your personal information from unauthorized access and use we maintain physical, procedural and electronic security measures. These include such safeguards as secure passwords, encrypted file storage and a secure office environment. Our technology vendors provide security and access control over personal information and have policies over the transmission of data. Our associates are trained on their responsibilities to protect our Clients' personal information.

We require third parties that assist in providing our services to you to protect the personal information they receive from us.

### How do we share your information?

An RIA shares Client personal information to effectively implement its services. In the section below, we list some reasons we may share your personal information.

Basis For Sharing	Do we share?	Can you limit?
<b>Servicing our Clients</b> We may share non-public personal information with non-affiliated third parties (such as administrators, brokers, custodians, regulators, credit agencies, other financial institutions) as necessary for us to provide agreed upon services to you, consistent with applicable law, including but not limited to: processing transactions; general account maintenance; responding to regulators or legal investigations; and credit reporting.	Yes	No
<b>Marketing Purposes</b> Claybrook does not disclose, and does not intend to disclose, personal information with non-affiliated third parties to offer you services. Certain laws may give us the right to share your personal information with financial institutions where you are a customer and where Claybrook or the client has a formal agreement with the financial institution. <b>We will only share information for purposes of servicing your accounts, not for marketing purposes.</b>	No	Not Shared
<b>Authorized Users</b> Your non-public personal information may be disclosed to you and persons that we believe to be your authorized agent(s) or representative(s).	Yes	Yes
<b>Information About Former Clients</b> Claybrook does not disclose and does not intend to disclose, non-public personal information to non-affiliated third parties with respect to persons who are no longer our Clients.	No	Not Shared

### State-specific Regulations

Massachusetts	In response to a Massachusetts law, clients must "opt-in" to share non-public personal information with non-affiliated third parties before any personal information is disclosed. We may disclose non-public personal information to other financial institutions with whom we have joint business arrangements for proper business purposes in connection with the management or servicing of your account.
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### Changes to our Privacy Policy

We will send you a copy of this Policy annually for as long as you maintain an ongoing relationship with us.

Periodically we may revise this Policy, and will provide you with a revised policy if the changes materially alter the previous Privacy Policy. We will not, however, revise our Privacy Policy to permit the sharing of non-public personal information other than as described in this notice unless we first notify you and provide you with an opportunity to prevent the information sharing.

### Any Questions?

You may ask questions or voice any concerns, as well as obtain a copy of our current Privacy Policy by contacting us at (617) 932-7927.