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Firm Brochure
(Part 2A of Form ADV)

This brochure provides information about the qualifications and business practices of O’Keefe Stevens Advisory, Inc. If you have any questions about the contents of this brochure, please contact us at (716) 400-3333 or through our web site at www.okeefestevens.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority. References herein to O’Keefe Stevens Advisory, Inc. as a registered investment advisor, or any reference to being registered, does not imply a certain level of skill or training.

Additional information about O’Keefe Stevens Advisory, Inc. is available on the SEC’s website at www.adviserinfo.sec.gov.

February 1, 2017

Material Changes

Annual Update

As required by Securities and Exchange Commission (SEC) regulations, this Firm Disclosure Document for O’Keefe Stevens Advisory, Inc. is subject to ongoing review by the Firm’s management.

Material Changes since the Last Update

This Material Changes section of the brochure will be updated at least annually, or more frequently, if/when material changes have occurred since the previous release of the Firm’s Disclosure Documents. In the event there are material changes, clients of O’Keefe Stevens Advisory, Inc. will receive a copy of this Material Changes page of the Disclosure Document which reflects those noteworthy changes. As an initial filing for this registered investment advisory firm, there are no material changes to report at this time.

Full Brochure Available

Form ADV Part 2A serves as the Disclosure Document for O’Keefe Stevens Advisory, Inc. as an SEC-registered investment advisory firm. Form ADV Part 2B serves as a Brochure Supplement, which outlines the history and qualifications of our advisors. These two parts are offered as separate documents by O’Keefe Stevens Advisory, Inc. New clients to our Firm are provided with a copy of these documents prior to or at the time of engaging the services of the Firm. In addition, we offer a copy to existing clients on an annual basis. Copies may also be requested at any time by contacting Peter O’Keefe, the Firm’s Chief Compliance Officer, either by telephone at (716) 400-3333 or through our web site at www.okeefestevens.com. Requested copies are provided without charge.

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Advisory Business

Firm Description

O’Keefe Stevens Advisory, Inc., hereinafter referred to as OSA or the Firm, is a Registered Investment Advisory firm, registered with the Securities and Exchange Commission, which manages portfolios in securities for individuals and trusts. It is a privately held corporation whose principle owners and Investment Advisor Representatives are Peter S. O’Keefe and Justin D. Stevens. The Firm has submitted its initial registration with notice filings to conduct advisory business in the States of New York and Florida, as required by those respective states’ registration requirements.

OSA provides personalized confidential financial planning, asset management and related consulting services to individuals, high net worth individuals, pension and profit sharing plans, trusts, charitable organizations and small businesses. Recommendations to clients are made based on consultation with the client and analysis of each client’s specific financial needs and may include following services:

Determination of financial objectives	Identification of financial problems
Cash flow management	Tax planning
Insurance review	Investment management
Education funding	Retirement planning
Estate planning	

Within the context of providing these services, clients may place restrictions on the types of securities to be held within their portfolios. OSA, at this time, does not offer its clients wrap fee programs. These programs charge a fee for an investment program that bundles together a suite of services, such as brokerage, advisory, research and management.

OSA views its role as pursuing for its clients a superior return on investments consistent with clients’ desires for preservation of capital and the achievement of the individual goals of the clients. We seek to accomplish this by investing in securities with greater potential with a focus on safety of principal coupled with buying securities that sell at a discount to underlying asset values.

At this time, OSA is a fee-only advisory firm and does not provide commission-based investment products to its clients. While some Investment Advisor Representatives (IARs) are licensed to offer non-variable insurance-related products to advisory clients of the Firm, they receive no commission income which might otherwise be derived from those activities should a client elect to accept their recommended products. Likewise, OSA does not receive commission income from such transactions either.

Investment advisory services are provided to clients on a discretionary basis only. OSA does not act as a custodian of client assets, opting instead to utilize as its custodian TD Ameritrade Institutional, hereinafter referred to as TD Ameritrade, a division of TD Ameritrade, Inc., an independent and unaffiliated SEC-registered

broker/dealer and a member of FINRA/SIPC/NFA. OSA may, to better serve specific client needs, elect to use the services of other custodians as well, at its discretion.

OSA's governing policy is that client's interests are always placed first and foremost. It serves clients with mid-range portfolios of five hundred thousand to several million dollars. Clients with portfolios in this range have, in the past, had limited options. They could manage their portfolios themselves, buy mutual funds, rely on large institutional managers or use bank trust departments. None of these options provide adequate attention and individualized professional management.

While clients always maintain control of their assets, they authorize OSA to transact trades on their behalf, without prior consultation, by the discretion authorization contained in the discretionary advisory agreement executed with the Firm.

A written evaluation of each client's initial situation may be provided to the client, at the discretion of their IAR. Account reviews with clients are conducted at least annually by the IAR and periodic interim reviews may also be conducted with clients to provide reminders of the specific courses of action that need to be taken.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) may be engaged directly by the client or by OSA on behalf of a client, on an as-needed basis and with client approval. Conflicts of interest which might arise based on positions or actions of OSA will be immediately disclosed to the client in the unlikely event they should occur.

An initial meeting with a prospective client, which may be by telephone, is free of charge and is considered an exploratory discovery interview to determine if/or the extent to which the financial planning or investment management services offered by OSA may be beneficial and appropriate to the client. In the event, as a result, the Firm is engaged by the client to provide those services, an advisory agreement is executed between the parties which defines the nature and cost of the services contracted.

The Firm's asset management philosophy is based on a simple proven premise that greater and more consistent gains are likely by investing in a diverse portfolio of securities that are priced below their intrinsic value. This philosophy stresses minimizing the risk of permanent loss of capital. So, by consistently losing less, greater returns can be made in the long-run. Stock and bond investments are evaluated for quality and liquidity.

Each client's IAR places emphasis on having an intimate familiarity with the various holdings within their specific investment portfolio. In selecting the securities to be added to a client's portfolio, a proprietary checklist is utilized to evaluate potential investment selections, which encompasses a holistic view of the underlying company. Every investment is appraised for opportunities and risks, and a thesis is developed on

how each security might succeed. The effectiveness of this process is in a perpetual state of improvement, as each investment presents a learning opportunity.

Investments are typically made for the long-term in corporations with unusual opportunities and are not limited to any one style such as large capitalization, small capitalization, international or fixed income. Research is focused on quantitative elements and technical analysis is rarely employed.

While principally an equity investor, due to the usually higher returns, OSA can adjust asset allocations between stock, bonds, and money market funds, when appropriate. Individual portfolios are invested in a mix of securities such as stocks, corporate bonds, government bonds and money market funds. The mix among the securities alternatives is determined by their relative attractiveness at a specific time. The national and international economic climates and market conditions are keys in the mix decision.

Portfolios remain in the client's name, with TD Ameritrade acting as custodian. While OSA is granted discretionary trading authority by its clients, it neither accepts authority to withdraw cash or securities from client accounts nor assumes custody of client assets in any other form.

Clients receive quarterly status reports that set forth the results for the previous quarter and for the year-to-date. These reports are augmented by personal meetings at least annually or more frequently if desired by the client or their IAR.

Principal Owners

As previously stated, the principal owners of OSA are Peter S. O'Keefe and Justin D. Stevens, with each holding a 50% ownership interest in the Firm.

Types of Advisory Services

OSA provides both investment supervisory services, also known as asset management services, as well as financial planning and consultative services to its clients. Asset management services may entail the active or passive management of investment accounts, furnishing of investment advice through consultations with clients, issuing periodic newsletters or special reports to its clients about securities and market conditions or trends and evaluating securities held by clients to foster an understanding of their assets relative to their stated goals and objectives.

Financial planning services are provided to clients to assist them in pursuing both short and long range financial goals. This is accomplished through a process of collecting client information about the client's current financial condition, clarification of their goals, identification of their past efforts and current abilities in pursuit of their goals and ongoing progress reviews relative to any actions taken.

On more than an occasional basis, OSA furnishes consulting services to clients on matters not involving securities, such as taxation, trust management and estate planning, but are directly related to the ongoing management of client assets. However, the Firm does not act in any capacity as a tax or legal advisor to its clients.

The Firm is compensated for its advisory services to clients through asset management fees, fixed fees or hourly fees, which are determined by the types of services elected by the clients. Clients grant the Firm discretionary powers which permit the execution of transactions on the clients' behalfs without consulting with or obtaining consent from them in advance of the transactions. As stated above, this authorization is granted within the advisory agreements initially signed by the clients.

As a newly formed advisory firm, OSA will have no assets under management as of February 1, 2017, the date of its initial registration filing. However, it is anticipated that it will have in excess of \$25 million under management for its advisory clients within 120 days of its initial registration filing acceptance by the SEC. As stated above, all assets will be managed on a discretionary basis.

Tailored Relationships

The goals and objectives for each client are documented in our client relationship management system. Investment strategies are then created that reflect the stated goals and objectives of each client. Clients retain the option of imposing restrictions on investing in certain securities or types of securities.

Types of Agreements

Prior to engaging OSA's services, clients are required to sign an agreement which defines the services that will be provided by the Firm. The following agreements define the typical client relationships between OSA and its clients. Agreements may not be assigned or transferred to parties other than the original clients entering into the agreements. Since OSA does not maintain custody of client assets, however, separate agreements may also need to be executed between custodial firms and the client, in addition to the agreements of the Firm described below. Since neither OSA nor its advisors act as attorneys, their recommendations should not be interpreted as legal advice.

Financial Planning and Consulting Service Agreement

Planning or consulting service clients are required to sign a Financial Planning and Consulting Service Agreement with the Firm. This agreement outlines the nature and level of advisory services to be provided, without requiring the direct management of the client's assets.

For financial planning clients, information regarding a client's personal and financial situation and objectives is collected by the advisor through a confidential interview process. This data is analyzed and a written financial plan, with specific recommendations, is presented to clients if/and when deemed by the advisor to be

appropriate to do so. With or without a written financial plan, clients will be provided with recommendations by their advisor based upon the analysis of their financial situation, objectives and risk tolerances.

A comprehensive financial plan, if elected, may include, but is not limited to a net worth statement, a cash flow statement, a review of investment accounts including reviewing past asset allocations, providing asset repositioning recommendations, strategic tax planning, education planning with funding recommendations, a review of retirement accounts and plans including recommendations and one or more retirement scenarios, a review of insurance policies and recommendations for changes, if necessary and an estate planning review and recommendations.

As previously stated, the Firm does not provide legal or accounting advice relative to its financial plans. It will, however, act as a facilitator in these areas between clients and their legal and/or tax advisors relative to the recommendations made in a financial plan.

Detailed investment advice and specific recommendations are provided as part of a financial plan. Implementation of the recommendations is at the discretion of the client and may be implemented with either OSA or with a financial advisor of the client's choosing.

Consulting services are provided to clients regarding other financial-related concerns in situations where detailed or comprehensive financial planning is either not necessary or not desired. Common areas of concern addressed by these services include:

Education planning	Simple investment planning
Death, disability and retirement planning	Tax planning
Net worth, cash flow and financial position	Risk management (insurance)
Other investment or non-investment issues	Estate planning

Investment Management Agreement

Most clients choose to have OSA manage their assets in order to obtain ongoing in-depth advice and life planning. These clients are required to sign an Investment Management Agreement which defines the manner in which their assets will be managed and the fees assessed by the Firm. OSA's Investment Management Agreement provides for cash flow management, insurance review, investment management, education planning, retirement planning, estate planning and tax planning, along with the implementation of recommendations within each area. Under the terms of the Agreement, investable assets are managed by the Firm in pursuit of the client's goals in each of these areas.

All aspects of the client's financial affairs are reviewed, including those of their dependents, if any. Realistic and measurable goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis. Key suitability parameters for each

advisory client are developed with the client and clearly defined in an Investment Policy Statement and/or Client Risk Profile signed by the client at the outset of the advisory relationship or in similar suitability documents. These suitability documents are reviewed with clients on an annual basis and updated as necessary.

Based on each client's objectives and suitability factors identified in their suitability documents, the advisor will develop a plan with each client that focuses primarily on either income generation or growth of equity assets. Fees differ between these two portfolio management options and are listed in the respective advisory agreement presented to the client. Asset management fees are non-negotiable, as with the Firm's other services.

Asset management services are provided to OSA clients on a discretionary basis. Under the terms of our agreement, clients authorize the advisor to buy, sell, invest, reinvest, exchange and/or trade securities in their accounts at his/her sole discretion and without consulting with the client in advance.

Advisory services are seen as ongoing and agreements are self-renewing unless terminated by either the client or the advisor. Fees and terms within the agreement, however, may be adjusted periodically to serve the client's ongoing needs. Clients are notified in writing of any adjustments to their agreements.

Fees are billed quarterly in advance and automatically deducted from the clients' advisory accounts. Clients receive quarterly statements from their account custodian(s) which identify the account balance, fees deducted and, in some cases, the formula used in the calculation of the deducted fees. For clients terminating their advisory agreement prior to the end of a quarter for which they have been billed in advance, the Firm will provide a pro rata refund of fees paid in advance based upon the number of days remaining in the calendar quarter from the date the termination notice is received by the Firm. Refunded fees will be either credited back to the client's advisory account prior to the transfer out of the account or a check forwarded directly to the client.

Retainer Agreement

OSA may, at its discretion, charge a retainer to clients for financial planning, consulting and/or asset management services. Should it do so, the retainer terms will be clearly stated in the agreement signed by the client.

Asset Management

A minimum account value is not required to open an advisory asset management account.

Advisors generally recommend that clients allocate their investment assets to various vehicles deemed by the advisor to be appropriate and consistent with the client's suitability and objectives. These investment vehicles may include, but are not limited to, the following:

Exchange-listed securities

Over-the-counter securities

Foreign securities	Warrants
Corporate debt securities	Commercial paper
Certificates of deposit	Municipal securities
Mutual funds	Exchange-traded funds
U.S. Government securities	Real estate partnerships
Oil and gas partnerships	

Fees related to investment vehicles are clearly identified to the client, either by the advisor or by prospectus, prior to investing. Initial public offerings (IPOs) and private placements are available to clients through OSA as well, subject to pre-transaction approval of the Firm's CCO.

Securities transactions in advisory accounts are executed through TD Ameritrade, OSA's advisory client custodian. Other brokerage firms, broker/dealers and/or custodians may be utilized if requested by the client, known as client-directed brokerage, or if deemed to be more appropriate by the Firm. Under a client-directed brokerage arrangement, however, clients are advised that their direction may hinder OSA's ability to achieve best execution on trades, negotiate commissions or participate in block trading which could be beneficial to the client.

Termination of Agreements

Either OSA or the client may terminate any of the aforementioned agreements at any time by notifying the other party in writing thirty (30) days prior to the termination date. As previously stated above, clients terminating an asset management agreement prior to the end of a calendar quarter will receive a prorated refund of fees paid in advance based on the number of days remaining in the quarter. Since financial planning and consulting fees are billed upon completion of services, clients terminating from these types of agreements may be billed on a prorated basis using the Firm's hourly billing rate of \$250 per hour for the hours expended up to the date the termination notice is received from the client.

In addition, OSA reserves the right to terminate any advisory engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in OSA's judgment, to providing proper financial advice. Any unused portion of fees collected in advance will not be refunded to the client under these circumstances.

Fees and Compensation

Description of Fees

Fees for OSA's advisory services are established, on an individual basis, during personal consultations. Client goals, the amount of funds and the number of accounts are the major considerations. The Firm's fees are reflective of OSA's policy of providing personalized high quality service to their clients.

Fees charged by OSA for financial planning or consulting services are dependent upon the services rendered to the client and may be either fixed or hourly. The specific services in these areas elected by the client, and their respective fees, are defined in the Financial Planning and Consulting Services Agreement executed with the client upon engaging the services of the Firm. Fees for financial planning or consulting services may be negotiable at the discretion of the advisor and/or the Firm.

For financial planning services, the fee assessed may be either a fixed one-time fee or a recurring annual fee within a range of \$750 to \$5000, depending upon specific needs defined by the client. Fees may also be adjusted upward or downward, at the discretion of the IAR, based upon the complexity of a client's specific financial planning concerns revealed during subsequent discovery interviews.

Consulting services generally entail ongoing discussions and/or reviews of generalized advisory issues not specifically related to financial planning or asset management (i.e. estate planning). These services are usually provided on a limited or ongoing basis, as defined by specific client needs and defined in their agreement. Clients are billed on an hourly fee basis at the Firm's standard rate of \$250 per hour, in fifteen (15) minute increments. These fees may also be waived, at the discretion of the IAR.

Clients utilizing OSA's ongoing asset management services are required to execute an Investment Management Agreement which defines the management services to be provided by the Firm and the asset management fee to be charged. The fee for these management services is based on a percentage of the market value of assets under management at the end of each calendar quarter and billed in advance for the next quarter.

For the purpose of fee calculation, advisory and non-advisory client assets may be aggregated, affording the client the lowest fee percentage whenever possible. As previously noted, the Firm will, at its discretion, allocate client assets to management models mutually agreed upon with the client and consistent with each client's suitability parameters.

Management fees may be negotiable, on a case-by-case basis and at the discretion of the advisor, based on the case complexity or specific needs of a client. Annual asset management fees are cited as follows:

<u>Account Value</u>	<u>Annual Advisory Fee</u>
\$ 0 to \$ 250,000	1.00% of assets under management
\$ 250,001 to \$ 1,000,000	0.95% of assets under management
\$1,000,001 to \$3,000,000	0.85% of assets under management
\$3,000,001 to \$5,000,000	0.70% of assets under management
\$5,000,001 to \$10,000,000	0.55% of assets under management
\$10,000,001 and above	0.37% of assets under management

Fee Billing

One-time fixed fees for financial planning services are 50% payable upon execution of the agreement with the balance due within thirty (30) days following the presentation to the client of the written financial plan or planning recommendations. Recurring annual fees are due in quarterly installments which will be either billed directly to the client or deducted directly from a client's custodial advisory account. While clients are not required to implement their financial plan with the Firm, the fee for developing a financial plan may be waived or applied to ensuing asset management fees, at the discretion of the IAR of the Firm, should they elect to do so.

Consulting services are billed to clients either upon completion of each specific consultation or cumulatively on a quarterly basis for ongoing consulting services, as specified in the client's agreement. An up-front retainer may be required for these services, at the discretion of the advisor, with balances due as stated above for these services.

As previously stated, should a client elect to terminate these services prior to the completion of the services contracted for, a prorated fee will be determined based on the time expended by the advisor up to the Firm's receipt of a written termination notice from the client. An invoice reflecting the prorated fee based on the advisor's hourly rate of \$250 will be forwarded to the client, due and payable within fifteen (15) days of date of the invoice. The Firm will not refund any portion of financial planning or consulting fees or retainers which may have been paid in advance by the terminating client.

All asset management clients are billed in advance each quarter for advisory services based on a percentage of each client's assets under management on the last business day of each calendar quarter, as valued by the account custodian(s), according to the fee schedule above. As previously stated, managed and indirectly managed account balances may be aggregated for the purpose of fee calculations. New accounts, once established, are assessed a pro rata portion of the annual fee for the quarter in which the account is established.

Fees are deducted directly from the client's advisory accounts by their custodian, as agreed upon in their Investment Management Agreement, and forwarded to OSA by the custodian.

Other Fees

Custodians may charge transaction fees on purchases or sales of certain securities, including mutual funds and exchange-traded funds. These transaction charges, if assessed, are usually small and incidental to the purchase or sale of a security and defined in the respective custodian's agreement, which is provided to and signed by the client prior to utilizing the custodian. OSA, however, does not receive any portion of these fees, if charged by the custodians. From an asset management standpoint, the selection of securities appropriate to a client's portfolio and their

overall management plan is more important than these nominal fees, if any, that the custodian may charge to buy or sell the securities selected. At this time, TD Ameritrade does not assess any such transactional fees to the Firm's advisory clients.

The Firm may, at its discretion, allocate assets from client portfolios to third party asset managers who may impose additional charges beyond the management fees assessed by OSA. If charged, these additional fees would be disclosed to the client prior to the allocation of funds to that asset manager platform.

Expense Ratios

Most mutual funds, whether purchased directly or through custodial accounts, generally charge an internal management fee, called an expense ratio, which is separate from the advisory service fees charged by OSA or transaction fees which might be charged by the custodian(s). For example, an expense ratio of 0.50 means that the mutual fund company charges 0.50% for their services. Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted. These fees are specific to each mutual fund and deducted from the fund's performance annually by the mutual fund company. Clients are not billed directly for these fees. Any such fees, if present, are clearly defined in each mutual fund's prospectus, which is provided to the client at the time the fund is recommended to the client.

Past Due Accounts and Termination of Agreements

OSA has not established a policy on past due accounts since most fees are billed in advance and deducted directly from asset management accounts. In the event, however, that an outstanding balance remains uncollected (hourly consulting fees, for example) within a timeframe deemed reasonable by the Firm, the client may be notified of a termination of their relationship and collection actions initiated, at the discretion of the Firm.

Under normal circumstances, as previously stated, either OSA or the client may terminate any of the aforementioned agreements at any time by notifying the other party in writing at least thirty (30) days prior to the termination date.

Performance-Based Fees

Performance-Based Fees

OSA's fees are not based on a share of the capital gains or capital appreciation of managed securities. Such performance-based fee structures could present the Firm with a potential conflict of interest in which an advisor might be incented to recommend an investment or investment strategy that could carry a higher degree of risk to the client in pursuit of increased performance, which would in turn generate higher fees for the advisor.

Types of Clients

Description

OSA's clients are comprised primarily of individuals but may also include corporations, pension and profit sharing plans, trusts, estates and charitable organizations. Client relationships vary in scope and length of service.

Account Minimums

OSA does not require a minimum account size to engage a new client or retain an existing client. Advisory fees, however, do vary based on the amount of assets under management by the Firm and client with smaller accounts may pay a higher percentage rate on their annual fees than the fees paid by clients with greater assets under management.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

In developing investment strategies for advisory clients, the Firm may employ long- or short-term purchases, trading of securities within thirty (30) days, short sales, margin accounts and option writing. The development of these strategies is based on a variety of information sources and methods of securities analysis. Information sources include financial publications, research acquired from outside sources, corporate rating services and company press releases, along with annual reports, prospectuses and SEC filings. Specific securities may be evaluated through the use of charting, fundamental, technical and/or cyclical analysis methods.

Other sources of information that OSA may use include Morningstar Principia mutual fund information, Morningstar Principia stock information, Internet sources or related types of informational sources relative to securities and securities markets.

Investment Strategies

The primary investment strategy used on client accounts is strategic asset allocation. This approach seeks to maximize gains while minimizing risk through the use of diversification of investments across a broad spectrum of domestic and foreign asset classes. Portfolios are globally diversified in this manner to control the risk associated with traditional markets.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client provides the advisor with detailed information that documents their objectives and their desired investment strategy. This information is reviewed with the client periodically and strategies adapted to any changes in objectives and/or suitability. As previously stated, other strategies may include long-term purchases, short-term purchases, trading, short sales, margin transactions and option writing.

Risk of Loss

All investment programs have certain risks that are borne by the investor. Clients are advised of these various types of risk and the possibility of loss of their assets. Investment strategies are developed based on the risk tolerance of each client and the types of these risks they may be subjected to. Investment vehicles are then selected by the advisor that are deemed suitable for the client according to their respective goals, timeframes and risk tolerances to potential losses. Our investment approach constantly keeps this risk of loss in mind. Investors may face any or all of the following investment risks while pursuing their financial goals:

- *Interest-rate Risk:* Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- *Market Risk:* The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- *Inflation Risk:* When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- *Currency Risk:* Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- *Reinvestment Risk:* This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- *Business Risk:* These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- *Liquidity Risk:* Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- *Financial Risk:* Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Disciplinary Information

Legal and Disciplinary

Neither the Firm nor any of its associated persons have been involved in any legal or disciplinary events related to past or present investment clients.

Other Financial Industry Activities and Affiliations

Financial Industry Activities

OSA is not registered as a securities broker-dealer, a futures commission merchant, commodity pool operator or commodity trading advisor. Further, the Firm does not currently maintain any affiliations with a commission-generating securities broker/dealer. It does utilize TD Ameritrade, a FINRA and SIPC member securities broker/dealer in its own right, as custodian only for advisory client accounts.

Some associated persons of the Firm are also licensed as life and/or health insurance agents and may be compensated through separate and standard commissions for the sale of insurance and insurance-related products and services.

Affiliations

OSA does not provide legal, accounting or tax preparation services to its clients. Should the need arise for those services, however, OSA may refer the clients to attorneys or accountants who are independent of OSA. If clients choose to use the services of those firms, they may be required to execute separate agreements with them which identify their specific services and fees. OSA receives no compensation for such referrals.

Outside Business Activities

As stated above, Peter O'Keefe and Justin Stevens are licensed as life insurance agents. These activities are in addition to their responsibilities as OSA advisors. Neither they nor OSA, however, receive commissions for the sale of insurance and insurance-related products and services.

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

Code of Ethics

OSA places the utmost priority on maintaining high standards of integrity and professionalism by its associated persons in the conduct of its advisory business. The greatest asset held by this Firm is the trust and confidence placed in it by its clients. It is incumbent upon all members of the Firm to maintain, further and adhere to the tenet that the clients' interest is paramount in all that we do. OSA has established a Code of Ethics which has been specifically formulated to ensure that our fiduciary obligations to our clients are met. In addition, since some associated persons of OSA have received the CFP® Certification from Certified Financial Planner Board of

Standards, Inc., the Firm has incorporated into its Code of Ethics the following key principles of CFP Board's Code of Ethics and Professional Responsibility:

Principle 1 – Integrity: *IARs, employees and officers of OSA will provide professional services with integrity. Integrity demands honesty and candor which must not be subordinated to personal gain and advantage. Certificants are placed in position of trust by clients and the ultimate source of that trust is the certificant's personal integrity. Allowance can be made for innocent error and legitimate differences of opinion, but integrity cannot co-exist with deceit or subordination of one's principles.*

Principle 2 – Objectivity: *IARs, employees and officers of OSA will provide professional services objectively. Objectivity requires intellectual honesty and impartiality. Regardless of the particular service rendered or the capacity in which a certificant functions, certificants should protect the integrity of their work, maintain objectivity and avoid subordination of their judgment.*

Principle 3 – Competence: *IARs, employees and officers of OSA will maintain the knowledge and skills necessary to provide professional services competently. Competence means attaining and maintaining an adequate level of knowledge and skill, and application of that knowledge and skill in providing services to clients. Competence also includes the wisdom to recognize the limitations of that knowledge and when consultation with other professionals is appropriate or referral to other professionals necessary. Certificants make a continuing commitment to learning and professional improvement.*

Principle 4 – Fairness: *IARs, employees and officers of OSA will be fair and reasonable in all professional relationships, and all conflicts of interest will be disclosed. Fairness requires impartiality, intellectual honesty and disclosure of material conflicts of interest. It involves a subordination of one's own feelings, prejudices and desires so as to achieve a proper balance of conflicting interest. Fairness is treating others in the same fashion that you would want to be treated.*

Principle 5 – Confidentiality: *IARs, employees and officers of OSA will protect the confidentiality of all client information. Confidentiality means ensuring that information is accessible only to those authorized to have access. A relationship of trust and confidence with the client can only be built upon the understanding that the client's information will remain confidential.*

Principle 6 – Professionalism: *IARs, employees and officers of OSA will act in a manner that demonstrates exemplary professional conduct. Professionalism requires behaving with dignity and courtesy to clients, fellow professionals, and others in business related activities. Certificants cooperate with fellow certificants to enhance and maintain the profession's public image and improve the quality of services.*

Principle 7 – Diligence: *IARs, employees and officers of OSA will provide professional services diligently. Diligence is the provision of services in a reasonably prompt and thorough manner, including the proper planning for, and supervision of, the rendering of professional services.*

The Firm's Code of Ethics establishes ethical guidelines for its employees and advisors to adhere to relative to the following key areas of its advisory operations:

Compliance	Personal Securities Transactions
Insider Trading	Rumor Mongering
Conflicts of Interest	Outside Business Activities
Gifts and Entertainment	Code Violation Reporting and Sanctions
Recordkeeping	

All associated persons of OSA are committed to our Code of Ethics, which is available in its entirety for review by clients and prospective clients. Copies of the Code may be requested by written request sent to O’Keefe Stevens Advisory, Inc., 170 Dale Road, Rochester, New York 14625 or by calling our office at (716) 400-3333 during normal business hours. A copy will be forwarded promptly upon receipt of a request.

Participation or Interest in Client Transactions

OSA and its employees may buy or sell securities that are also held by clients. Associated persons are prohibited, however, from trading securities within their personal accounts ahead of trades of the same securities in client accounts, a practice commonly known as “front running”. They are also prohibited from conducting sales of securities between their personal accounts and those of advisory clients.

Personal Trading

It is OSA’s policy to prohibit personal securities transactions by its associated persons which are or could lend the appearance of being in conflict with either client transactions or the Firm’s fiduciary responsibility to its clients. The Firm has designated Peter S. O’Keefe as its Chief Compliance Officer (CCO). As such, he conducts reviews of all associated person trading activity on a quarterly basis. His trades, in turn, are reviewed by the Firm’s President. These personal trading reviews ensure that the personal trading of employees does not affect the markets and that clients of the Firm receive preferential treatment at all times.

Brokerage Practices

Selecting Brokerage Firms

As previously stated, OSA does not currently utilize a broker/dealer relative to its trading activities for advisory clients. It does, however, utilize TD Ameritrade as an outside custodian to implement all trades for its advisory clients. Specific custodial firm recommendations are made to clients based on the client’s need for such services and the custodian’s proven integrity and financial responsibility, along with their best execution of orders at reasonable commission rates, if applicable. At this time, as previously stated, TD Ameritrade does not charge our advisory clients transaction fees within the Firm’s asset management accounts held there.

Best Execution

OSA reviews the execution of its advisory client trades on an ongoing basis to ensure that its clients are receiving the best execution possible within their advisory accounts. In addition to best execution reviews by the custodians, OSA’s CCO

conducts weekly reviews of their trading accuracy. In this review process, a random selection is made of a specific security that was traded in the preceding week on the Firm's custodial platforms. Pricing obtained by the Firm in its executions of that security is then compared to publicly available pricing for that security over the same period utilizing Internet-based securities trading platforms (i.e. YahooStock, etc.). If significant pricing disparities are noted by this comparison, the CCO will investigate and, if/when necessary, adjust client accounts to ensure the client has received the best execution at that time.

The CCO may, at his discretion, periodically review Rule 605 or Rule 606 reports for the custodial or broker/dealer platforms utilized by the Firm in the execution of advisory account transactions to compare the performance of these entities to their peers in the overall securities marketplace. If any issues of potential concern are noted in these reports relative to trading activities affecting the Firm's advisory clients, they are addressed by the CCO directly with the respective custodian at that time, resolved immediately in the client's favor and all relevant information documented accordingly.

Based on these comparisons, the Firm continually seeks to ensure that the overall trading execution performance of its custodians compare favorably in the marketplace. Documentation of the Firm's ongoing Best Execution review is maintained by the CCO as a key component of its compliance books and records.

Soft Dollars

Soft dollar practices generally refer to arrangements under which investment advisors or money managers obtain products or services (other than execution of securities transactions) from or through a broker/dealer in exchange for the advisor directing client brokerage transactions to that broker/dealer.

OSA does not have any soft dollar arrangements in existence at this time, nor does it intend to have any in the foreseeable future.

Order Aggregation

While the advisor generally places trades of individual securities for clients, such orders may also be "batched" or aggregated with those of other clients or the advisor to facilitate a block trade. By executing block trades, the Firm seeks to achieve a better execution price for all parties interested in trading a specific security.

When trades are blocked, the allocation of shares is established in writing before the trade is entered. In the event of a partially filled block order, shares will be allocated in a top down manner, based upon the order of trades received, until all available shares have been allocated to client accounts. An advisor's personal or family accounts will not receive an allocation of shares unless all client orders have been satisfied first. In the event of varying execution prices in a block trading situation, the clients will receive the average of the execution prices to achieve a uniform price for

all clients. Detailed records of each block trade and the allocation of shares are maintained by the Firm's CCO.

Review of Accounts

Periodic Reviews

OSA continuously monitors the composition and performance of client portfolios as a key component of its ongoing service commitment to its clients. Account reviews are conducted by each advisor with their respective clients at least annually. Reviews may be performed more frequently in response to client requests or at any time when the Firm or the individual advisor feels that specific events or market conditions dictate.

Portfolio models, if used, will be reviewed and updated quarterly by the Firm's CCO and IARs. Adjustments to portfolio models may be made periodically to reflect changes in suitability, market conditions, market opportunities and client concerns. Individual holdings within models are evaluated relative to their performance and the likelihood that they will contribute to the objectives of the specific portfolio model in which they are held.

Review Triggers

The Firm's advisors monitor economic and market conditions, perform due diligence reviews of securities and financial products and investigate significant gains or losses in client portfolios. Concerns in any of these areas, changes in tax laws and/or changes in client objectives or suitability may trigger the need for off-cycle account reviews with clients as well, in addition to normal annual reviews.

Regular Reports

Clients are provided with transaction confirmations, notices and regular account statements directly from the custodian of their accounts on a quarterly basis. Copies of all items sent to clients are simultaneously copied to OSA. The Firm's CCO will conduct annual "due inquiry" mailings to clients to confirm their regular receipt of account statements directly from their respective account custodians.

Client Referrals and Other Compensation

Incoming Referrals

OSA's advisors have been fortunate to receive many client referrals over the years, which have come from current clients, attorneys, accountants, employees, personal friends and other similar sources. At this time, the Firm does not utilize the services of paid solicitors to promote its advisory practice.

Referrals Out

OSA does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Other Compensation

OSA receives no other forms of compensation for its services beyond those identified above and specifically stated in its agreements executed with clients.

Custody

Account Statements

It is the Firm's policy to have custody over client assets only to the extent that it requests the client's custodian(s) to deduct advisory fees directly from the client's account(s), when authorized by the client, in lieu of fees being billed directly to the client for payment. As previously stated, all advisory client assets are held at TD Ameritrade, which is a qualified custodian as defined by the SEC. They provide account statements directly to our clients at their address of record at least quarterly, with copies forwarded electronically to OSA.

Performance Reports

Clients are urged to review the performance of their investments as reported on their account statements received directly from their account custodians. These statements, along with market and portfolio performance are reviewed with each client during periodic account reviews with their respective advisor.

Net Worth Statements

On request, clients may be provided net worth statements and net worth graphs by their IAR. Net worth statements may contain approximations of bank account balances provided by the client, as well as the value of land and hard-to-price real estate, in addition to invested assets. The net worth statements are used for long-term financial planning where the exact values of assets are not necessarily material to the financial planning tasks.

Investment Discretion

Discretionary Authority for Trading

Investment advisory services are provided to clients on a discretionary basis only, with discretion authorization specified in each respective client's asset management agreement. Accordingly, under a discretionary relationship, OSA has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, the timing of transactions and the amount of the securities to be traded. This authority facilitates placing trades in client accounts on their behalf so that we may promptly implement their investment policy when timeliness is an issue.

The use of discretion is granted by each client and expressly authorized in the agreement that they signed upon engaging the services of the Firm. The clients do retain the right to place limitations on the advisor's discretionary powers. If any such limitations or restrictions are specified, they are clearly defined within the advisory agreement at the outset of services. Subsequently, restrictions may be added or dropped from the client's authorization by submitting a request in writing to the Firm.

Limited Power of Attorney

OSA does not accept or maintain power of attorney over client accounts or financial affairs.

Voting Client Securities

Proxy Votes

OSA does not vote securities proxies on behalf of its clients. Clients are expected to vote their own proxies and account custodians are directed to forward all proxy voting materials directly to the clients. If assistance on voting proxies is requested by a client, OSA may provide guidance or recommendations only. If any conflict of interest might exist relative to advising the client on proxy issues, it will be disclosed to the client.

Account establishment documents for some custodians may, however, state that the Firm will vote proxies on behalf of the clients (i.e. TD Ameritrade). Since these documents are proprietary to the custodian and beyond the ability of OSA to modify, the Firm will forward all proxy-related documents received via these custodians to either the client or a third party designated by the client. In these situations, the Firm will take no action relative to the proxy beyond the forwarding of the proxy materials.

Financial Information

Financial Condition

OSA does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients. Neither the Firm nor any associated persons have been a party in any bankruptcy proceedings during the past ten (10) years. Since OSA does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$500 per client six months or more in advance, it is not required to prepare or provide a financial balance sheet to clients.

Business Continuity Plan

General

OSA has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key personnel.

Disasters

It is OSA's policy to provide uninterrupted service to its clients and to minimize the downtime should any unforeseen event cause disruption to its business operations. A Business Continuity Plan has been developed and implemented by the Firm to accomplish this. The plan makes provision for most natural or man-made disasters which could conceivably disrupt the day-to-day operations of the Firm or access by

clients to their account information. OSA's computer system is backed-up automatically, in real time, to cloud-based off-site data storage service providers.

Alternate Offices

An alternate office has been designated to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients in the event of a disaster that dictates moving our office to an alternate location. At that time, they will be provided with alternate contact information and will be periodically kept abreast of the status of the office facility restoration or relocation.

Loss of Key Personnel

In the event of the death or permanent disability of either principal of the Firm, the remaining principal will continue the management of operations in as seamless a transition process as possible. The Firm has implemented a buy/sell agreement between the principal owners, funded through life insurance policies, to provide for the long-term continuity of the practice as well. Ongoing management of client assets would continue without disruption, however, through the services of the remaining principal and client-specific strategies currently in place.

Information Security Program

Information Security

The Firm is committed to safeguarding client information by holding it in the strictest confidence. Only information that is necessary to effect, administer or enforce a transaction is gathered. Such information may include, but is not limited to, health and financial data submitted with account applications or other forms.

To protect its client's privacy, the Firm has implemented internal procedures designed to restrict access to personal information. It may, as necessary, disclose limited personal information to other financial institutions to facilitate the completion of their authorized activities or as otherwise authorized by the client. It is the policy of the Firm not to disclose non-public personal information to any non-affiliated third parties, except as required by law, and no change is anticipated in this policy in the future. Clients will be notified prior to the implementation of any changes to this policy, should that occur.

In some instances, federal and/or state regulators may be permitted by law to review Firm and client records. OSA will comply with such requests whenever mandated by law. The Firm does not, however, provide non-public personal information to mailing list vendors or solicitors under any circumstances. Any client information gathered by OSA will be maintained for the duration of that client's relationship with the Firm and beyond for a period of time specified by current or future regulations.

Privacy Notice

A copy of OSA's Privacy Policy is provided to all prospective clients at their initial meeting and is subsequently available to all our clients upon request at any time. If

the Firm's Privacy Policy is altered at any time, all clients will be sent a copy of the revised policy in conjunction with implementation of the changes to its policy.