

Abner, Herrman & Brock, LLC
Wrap Fee Program Brochure
Part 2A Appendix 1 of Form ADV

This wrap fee program brochure provides information about the qualifications and business practices of **Abner, Herrman & Brock, LLC**. If you have any questions about the contents of this brochure, please contact us at 201-484-2000 or info@ahbi.com. This information has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about Abner, Herrman & Brock, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

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Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Wrap Fee Program Brochure.

Material Changes since the Last Update

The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring advisers to provide a Wrap Fee Program Brochure in narrative “plain English” format. The new final rule specifies mandatory sections and organization.

Full Brochure Available

Whenever you would like to receive a complete copy of our Wrap Fee Program Brochure, please contact us by telephone at: 201-484-2000 or by email at: contactus@ahbi.com.

Table of Contents

Material Changes	2
Annual Update	2
Material Changes since the Last Update	2
Full Brochure Available	2
Investment Advisory Services	5
Wrap Fee Program Fees	5
Method of Billing and Termination of Agreement	7
Account Minimum and Types of Clients	7
Portfolio Manager Selection and Evaluation	7
Advisory Business	7
Firm Description	7
Types of Advisory Services	8
Tailored Relationships	8
Wrap Fee Programs	8
Performance-Based Fees	8
Sharing of Capital Gains	8
Methods of Analysis, Investment Strategies and Risk of Loss	8
Methods of Analysis	8
Investment Strategies	9
Equity Portfolios	9
Custom Balanced Portfolios	10
Fixed Income Portfolios	10
Taxable Bond Portfolios	10
Municipal Bond Portfolios	10
Risk of Loss	10
Voting Client Securities	11
Proxy Voting	11

Table of Contents (continued)

Client Information Provided to Portfolio Managers	11
Information to Portfolio Managers.....	11
Client Contact with Portfolio Managers	11
Contact with Portfolio Managers.....	11
Additional Information	12
Disciplinary Information.....	12
Legal and Disciplinary.....	12
Other Financial Industry Activities and Affiliations	12
Financial Industry Activities	12
Affiliations.....	12
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	12
Code of Ethics.....	12
Participation or Interest in Client Transactions and Personal Trading	13
Review of Accounts.....	14
Periodic Reviews and Review Triggers	14
Regular Reports.....	14
Client Referrals and Other Compensation.....	14
Incoming Client Referrals	14
Referrals Out.....	15
Financial Information.....	16
Financial Condition	16
Brochure Supplement (Part 2B of Form ADV).....	17
Education and Business Standards.....	17
Professional Certifications	17
Howard J. Abner, CFA.....	18
Caryn A. Zweig	19
Kevin E. Strauss, CFA	20
Bryan L. DiDonato, CFA	21

Services, Fees and Compensation

Investment Advisory Services

Abner, Herrman & Brock, LLC (AHB) Wrap Fee Program offers investment management and execution services for one fee. AHB does not offer consulting services to aid clients in choosing portfolio managers. Performance of the AHB Wrap Fee Program is verified by Ashland Partners, LLC in compliance with Global Investment Performance Standards (GIPS®).

AHB provides investment management services on a discretionary basis. Such services are provided within guidelines formulated with each client, based upon defined investment objectives. AHB, a registered broker-dealer, also provides a variety of execution and other brokerage services to clients on a fully disclosed basis through JP Morgan Clearing Corp., ("JP Morgan"), AHB's clearing broker.

During initial conferences with prospective clients, investment objectives are identified, an asset allocation plan is devised, and the firm's advisory fee structure is discussed. If clients elect to retain AHB as a portfolio manager, clients are provided with a letter outlining the agreed upon objectives, asset allocation plan and fee structure if different from the standard fees described below. Clients are asked to execute investment advisory contracts and to designate a custodian to hold their securities and a broker which will execute transactions to be effected on their behalf by AHB. Clients are encouraged without restriction to contact AHB portfolio managers on the status of their portfolio. AHB portfolio managers meet with clients on a regular basis to review the client's investment objectives and goals. If authorized by the client, AHB may provide brokerage services for the investment advisory clients in accordance with the requirements of the securities laws and, if applicable, the Employee Retirement Income Security Act of 1974 ("ERISA").

Wrap Fee Program Fees

The AHB Wrap Fee Program offers management of Core Equity, Custom Balanced, Taxable and Municipal Bond portfolios. Under Abner, Herrman & Brock's Wrap Fee Program, clients receive investment management, brokerage and custodial services for an all-inclusive (or "wrap") fee which varies as follows depending upon the nature of the portfolio. Wrap Fee Program Investment Advisory Fees are based on the market value of the portfolio and are billed in advance on a quarterly basis. Fees are not generally negotiable. AHB does not act as a custodian of client assets. In addition to the wrap fee, clients pay an administrative service charge on each transaction in the portfolio.

Annual Wrap Program Fees :

<u>Portfolio Size</u>	<u>Core Equity</u> <u>(100%)</u>	<u>* Custom</u> <u>Balanced</u> <u>(50%/50%)</u>	<u>Fixed</u> <u>Income</u> <u>(100%)</u>
\$ 500,000 - \$ 999,999	1.25%	1.00%	0.40%
\$ 1,000,000 - \$ 9,999,999	1.00%	0.75%	0.35%
\$ 10,000,000 +	0.90%	0.65%	0.30%

* Custom Balanced portfolios with equities representing less than 50% of the total assets are subject to lesser advisory fees while portfolios with equities representing more than 50% of the total assets are subject to greater advisory fees depending upon size, asset allocation and complexity of the portfolio.

Depending upon any given client's financial needs, circumstances, and objectives (including the expected amount of trading activity) and the value of the advisory custodial, execution, and other services provided under AHB's Wrap Fee Program, such services might be obtained at a more favorable total price through AHB or elsewhere on a separate basis. AHB, in its discretion, may negotiate the foregoing fees in appropriate circumstances. Fees may, therefore, differ from fees charged with respect to other clients depending on the extent of services provided and the cost of such services. The AHB Wrap Fee Program may cost the client more or less than the same services if they were available to be purchased separately. The factors that bear upon the cost of the program in relation to the cost of the same services include, among other factors, the amount of the assets the client has in the program, trading activity, investment planning, advisor due diligence, investment management, and custody service. AHB may, on occasion, invest in money market funds for which no separate fees will be paid by the client; however, the management fee paid by the fund may be considered an indirect charge. AHB does not act as principal in over-the-counter NASDAQ securities. Therefore, in effecting such transaction, clients may pay a markup or markdown which is included in the offer or bid price of the securities purchased or sold. AHB does not act as a dealer, and will not effect certain principal transactions with an investment advisory client. Therefore, the client may be paying a markup or markdown to market makers acting as principal. Following client approval, AHB may act as broker for persons other than the client in effecting transactions in which client securities are sold to or bought from another AHB brokerage customer, in accordance with the provisions of Rule 206(3)-2 under the Investment Advisers Act of 1940, if applicable.

A portion of the fees paid to AHB in connection with any account in the AHB Wrap Program may be allocated on an ongoing basis to a Financial Consultant or Investment Advisor. The amount of that compensation may be more or less than what they would receive if the client paid separately for investment advice, brokerage or other services. The Financial Consultant or Investment Advisor may, therefore, have a financial incentive to recommend the AHB Program over other services.

Method of Billing and Termination of Agreement

Wrap Fee Program Investment Advisory Fees are based on the market value of the portfolio and are billed in advance on a quarterly basis, for advisory services rendered during such quarter. The fees are calculated based upon the market value of the portfolio (securities and cash) at the end of each quarterly month end. Payment in full is expected upon invoice presentation. Fees may be deducted from a designated client account to facilitate billing. Clients may select either method for fee collection, billed or direct debit. The client must consent in advance to direct debiting of their investment account. The fees charged to any given client by AHB may be higher than fees charged to other clients, either by AHB or by other investment advisors, for advisory services to accounts of comparable size and investment objectives. Although the Investment Advisory Agreement is an ongoing agreement and constant adjustments are required, the length of service to the client is at the client's discretion. The client or the investment manager may terminate the Investment Advisory Agreement by written notice to the other party. Fees paid in advance of termination will be prorated to the date of termination and any unearned portion will be refunded to client. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination. The date of termination will be the earlier of 30 days after receiving written notification from the client of its intention to terminate or 30 days from the date the client's assets are removed from the account.

Account Requirements and Types of Clients**Account Minimum and Client Descriptions**

The minimum account size for participation in the AHB Wrap Fee Program is \$500,000. AHB has the discretion to waive the account minimum when circumstances require it. Other exceptions may apply to employees of AHB and their relatives, or relatives of existing clients. AHB generally provides investment advisory services to individuals, endowments, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations or business entities.

Portfolio Manager Selection and Evaluation**Selection and Evaluation**

AHB does not offer consulting services to aid clients in choosing portfolio managers. AHB is the investment manager offered in the AHB Wrap Fee Program.

Advisory Business

Firm Description

Abner, Herrman & Brock LLC ("AHB") was founded in 1981. The firm provides investment management services on a discretionary basis. Such services are provided within guidelines formulated with each client, based upon defined investment objectives. Abner, Herrman & Brock, LLC (AHB), a registered broker-dealer, also provides a variety of execution and other brokerage services to clients on a fully disclosed basis through JP Morgan Clearing Corp., Inc. ("JP Morgan"), AHB's clearing broker. AHB's principal owner is Abner Trust, a 74.5% stockholder.

Types of Advisory Services

AHB provides investment management services, also known as asset management services. During initial conversations with prospective clients, investment objectives are identified, an asset allocation plan is devised, and the firm's advisory fee structure is discussed. AHB equity portfolios typically comprise large companies invested primarily in exchange listed securities and securities traded over the counter. The fixed income portfolios are invested in Investment Grade Corporate bond securities, Investment Grade Municipal bond securities, US Government Agency bonds and US Government Treasury securities. Balanced portfolios are invested in a combination of the above mentioned equity and fixed income securities.

Tailored Relationships

To tailor a portfolio to a client's individual needs, AHB and the prospective client will determine the amount of the portfolio that will be dedicated to equities or fixed income securities. 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. Clients may impose restrictions on investing in certain securities or types of securities. The asset allocation for each client portfolio is documented in our portfolio management system. An opening letter sent to the client restating the asset allocation and investment objectives of the portfolios that will be managed. If clients elect to retain AHB as a portfolio manager, clients are provided with a letter outlining the agreed upon objectives, asset allocation plan and fee structure and are asked to execute a contractual Investment Advisory Agreement and to designate a custodian to hold their securities and a broker which will execute transactions to be effected on their behalf by AHB. Agreements may not be assigned without client consent.

Wrap Fee Programs

AHB provides its portfolio management services to wrap fee programs that are offered at other institutions. There is no difference in the investment management that AHB provides to the wrap fee accounts from the investment management to other accounts. As compensation for our investment management services, AHB receives a portion of the wrap fee that is charged by the financial institution that is sponsoring the wrap program.

Performance-Based Fees

Sharing of Capital Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities. AHB does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis. The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual

reports, prospectuses, filings with the Securities and Exchange Commission, company press releases, online information including but not limited to newsletters, blogs, and webcasts. Investing in securities involves risk of loss that clients should be prepared to bear.

Investment Strategies

AHB provides investment management services, also known as asset management services.

AHB employs a “top down” investment approach which focuses first on the outlook for the overall economy on a short, intermediate and long-term basis. AHB will also identify interest rate directions and those sectors of the economy (consumer, business and government) and those industries in each sector which are likely to be affected favorably and unfavorably by the overall economic outlook on an intermediate and long-term basis, pinpointing industries and particular companies of potential interest. AHB will also continually monitor market cycle positions. AHB has an investment committee comprised of Howard Abner, Caryn Zweig, Kevin Strauss and Bryan DiDonato. The investment committee makes final decisions with regard to securities investments after receiving and reviewing information obtained by AHB and its employees.

The foregoing analysis is performed on an ongoing basis to formulate asset allocation strategies with preservation of capital and achievement of investment objectives being the foremost concern. AHB will use cash-flow management as an investment strategy. Subject to specific investment objectives of each client, and market environment, AHB generally structures portfolios with either a concentration in equities (Equity Portfolio), as a mix of equities and bonds (Custom Balanced Portfolio), with a concentration in taxable bonds (Taxable Bond Portfolio), or with a concentration in municipal bonds (Municipal Bond Portfolio). Subject to individual client objectives, the allocation among equities, bonds and cash in each portfolio will change in various markets. For example, overall investment objectives are met in varying markets by reducing equity exposure in declining markets and seeking expanded rates of return in rising markets.

Equity Portfolios

In equities, AHB seeks to continuously review most companies listed on the NYSE, as well as a large number of more sizable companies traded over-the-counter on NASDAQ, concentrating on those securities which display the greatest market inefficiencies in terms of price but meet certain quality standards. Those companies which are perceived by AHB as being well-managed as well as offering above-average earnings and dividend growth prospects will be the focus of further research. AHB looks for opportunities where market capitalization is large enough to afford easy entry and exit for liquidity in trading. AHB believes that the equity securities it identifies and invests in for clients tend to offer lower volatility and on a relative basis, potentially higher risk-adjusted returns than other stocks not bearing the same characteristics. To the extent feasible, AHB seeks to diversify Equity Portfolios among 5-20 industry sectors and 2-4 companies in each industry. In AHB’s view, such diversification provides for a more prudent level of risk. In managing Equity Portfolios, AHB seeks to attain higher yields and lower volatility as compared with other professionally managed portfolios with similar investment objectives. Equity investments for clients are subject to certain selling disciplines in order to attempt to maximize gains and minimize losses, including consideration being given to selling securities which have appreciated by 50% or depreciated by 10% from purchase price.

Custom Balanced Portfolios

Balanced Portfolios contain a mix of equities similar to those described above as well as bonds. Bonds are selected from the investment grade Corporate bond, U.S. Government, Agency as well as Municipal bond universe when appropriate. The proportion of bonds to equities in Balanced Portfolios is generally agreed to by the client to achieve their investment objectives before investment management is initiated. AHB seeks to structure the bond portion as described below.

Fixed Income Portfolios**Taxable Bond Portfolios**

Taxable Bond Portfolios are comprised of U.S. Treasury, government agency, and investment-grade corporate bonds with laddered maturities. Bonds are selected that represent attractive relative values based on the yield curve, bond type and sector spreads. Bond holdings are shifted toward agencies and corporates when the yields from those sectors offer materially higher returns than U.S. Treasuries. Analysis of the yield curve identifies maturities that offer optimal yields within AHB's quality, liquidity and stability requirements. AHB continuously monitors each bond's credit quality in an effort to anticipate a change in the credit rating of the issuer. AHB Taxable Bond Portfolios are broadly diversified by bond type, economic sector and maturity to reduce volatility and generate a high rate of current income and/or capital appreciation. AHB does not participate in "swapping" or "credit anticipation" strategies for bond portfolios.

Municipal Bond Portfolios

Municipal Bond Portfolios will reflect a client's desire to receive greater after-tax income or tax-exempt capital appreciation. Bond holdings are selected for quality, value and stable income generation. Municipal Bond Portfolio holdings are structured with high quality investment-grade tax-exempt bonds. AHB continuously monitors each bond's credit quality in an effort to anticipate a change in the underlying credit rating of the issuer. Each portfolio is customized to meet the client's risk profile, tax sensitivity and income requirements.

AHB investment strategies are intended to meet the objectives of the clients who desire above average investment returns. AHB strategies will not meet the objectives of clients who wish to assume above-average market risks. Nor will it satisfy a "buy and hold" strategy, the focus of which is solely on expectation of longer-term future returns.

If there are any changes in the client's financial situation or investment objectives, or if they wish to impose, add or modify any reasonable restrictions to the management of their account they should contact Abner, Herrman & Brock LLC.

Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **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.

Voting Client Securities

Proxy Voting

AHB does not vote proxies on securities for clients in the AHB Wrap Fee Program and therefore clients are expected to vote their own proxies. In such cases, clients will receive their proxies directly from their custodian and can contact AHB by phone at 201-484-2000 with any questions. If assistance on voting proxies is requested, AHB will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client. In certain wrap fee programs that are not sponsored by AHB and in which AHB provides portfolio management services, AHB does vote proxies, if required.

Client Information Provided to Portfolio Managers

Information to Portfolio Managers

AHB does not offer consulting services to aid clients in choosing portfolio managers and therefore does not provide any client information to portfolio managers at any other firm. The portfolio managers at AHB are provided with the investment objectives and risk tolerance of the client as well as the asset allocation of the portfolio. Additional relevant concerns may be state of residence for a municipal bond portfolio or any special income needs or special sector, industry or company restrictions or rating levels that a client may require.

Client Contact with Portfolio Managers

Contact with Portfolio Managers

There are no restrictions placed on clients' ability to contact or consult with AHB portfolio managers.

Additional Information

Disciplinary Information

Legal and Disciplinary

There are no legal or disciplinary events related to past or present investment clients.

Other Financial Industry Activities and Affiliations

Financial Industry Activities

Abner, Herrman & Brock, LLC is registered as a securities broker. As a broker, AHB executes transactions on behalf of customers who are not advisory clients but for whom AHB maintains brokerage accounts on both a discretionary and non-discretionary basis; AHB receives compensation for those accounts only in the form of brokerage commissions. As a broker, AHB also maintains accounts for customers who have separately retained AHB to manage their portfolio; AHB also receives advisory fees (as described above) from such clients when it is so retained.

Affiliations

Once prospective clients decide to retain AHB as its investment manager, their investment objectives and overall asset allocation plan are agreed upon; the client executes a standard advisory contract; and the client is asked to designate a broker for execution of all transactions effected on their behalf and a custodian for the purpose of holding the securities and other assets to be held in their portfolio. AHB does not serve as a custodian. AHB is a registered broker dealer and advises clients and prospective clients of its availability to execute transactions effected on their behalf by AHB as their investment advisor. At the time of execution of an advisory contract with AHB, clients are asked to designate the broker to which all equity transactions are to be directed by AHB. For the purchase and/or sale of fixed-income securities, the client authorizes AHB to effect securities transactions for account assets, subject to AHB's duty to seek the best execution for these transactions. Clients may elect to designate AHB or another broker of their choice. The principal owners of AHB share in the benefits derived by AHB from the brokerage commissions charged its advisory clients when AHB is selected as the broker and if it is a standard advisory agreement in which commissions are charged. When AHB is selected as broker, a portion of the brokerage commissions paid by AHB clients is also retained by JP Morgan, the broker-dealer through which AHB clears all trades for advisory clients who have chosen AHB to act as broker under those circumstances. AHB utilizes the services of JP Morgan to execute all equity transactions, which AHB determines, in the exercise of its discretion as advisor, are consistent with the investment objectives of its clients

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

Code of Ethics

This Code of Ethics is intended to be utilized by all AHB personnel in the conduct of AHB business.

The Investment Company Act of 1940, the Investment Advisers Act of 1940, and the rules adopted under these Acts prohibit certain investment advisers and "access persons" of these advisers from engaging in

fraudulent and manipulative practices with respect to managed investment companies and other clients. The rules also require that each registered adviser adopt and promulgate a code of ethics designed reasonably to prevent “ access persons” from engaging in the prohibited practices. The code is to be reviewed annually and copies of each version are to be preserved for at least five (5) years.

SEC Rule 204A-1 requires every investment adviser registered or required to be registered under section 203 of the Act to establish, maintain and enforce a written code of ethics that, at a minimum, includes:

- A standard (or standards) of business conduct that the adviser requires of each supervised person, which standard must reflect the adviser’s fiduciary obligations and those of its supervised persons;
- Provisions requiring the supervised persons to comply with applicable federal securities laws;
- Provisions that require all “ access persons” to report, and the firm to review, their personal securities transactions and holdings periodically as provided in the Rule;
- Provisions requiring supervised persons to report any violations of the code of ethics promptly to the chief compliance officer or, provided the chief compliance officer also receives reports of all violations, to other persons designated in the code of ethics; and
- Provisions requiring the firm to provide each supervised person with a copy of the code of ethics and any amendments, and requiring the supervised persons to provide the firm with a written acknowledgment of their receipt of the code and any amendments.

The Chief Compliance Officer is responsible for overseeing the Code of Ethics where applicable, providing any revisions and implementing its provisions. This oversight shall, at a minimum, include the following on a regular basis:

- Reviewing access persons’ personal securities reports
- Assessing whether access persons are following required internal procedures
- Evaluating transactions to identify any prohibited practices
- Assessing relative performance of personal accounts vs. customer accounts.

Each employee and associated person must date and sign the Acknowledgment on the last page of this Code of Ethics and return a copy of the signed Acknowledgment to the CCO. In addition, each employee or Associated Person must take personal responsibility to report promptly to the Chief Compliance Officer any suspected violations of this Code of Ethics where applicable.

The Code of Ethics available as a separate document to clients and prospective clients upon request.

Participation or Interest in Client Transactions and Personal Trading

Pursuant to the Code of Ethics and other AHB policies and procedures with regard to confidentiality, and the avoidance of potential conflicts of interest, all transactions executed at AHB, including those on behalf of its principals and employees, are reviewed daily to prevent the misuse of material non-public information by AHB, its principals and employees and other violations of law or conflicts of interest.

From time to time, AHB, as well as principals and employees of AHB, may have positions or may engage in transactions, in the same securities as those purchased or sold for advisory clients. To avoid any potential conflict of interest, transactions affected for principals or employees of AHB within the same time frame as those for clients will be executed at an average price identical to that paid by or to clients. In such circumstances, orders for AHB principals and employees are aggregated with client orders in a manner

identical of that explained in the order aggregating section of this brochure regarding AHB average pricing policy. As a matter of policy, AHB prohibits its principals and employees from effecting transactions immediately prior to or after transactions in the same security effected for clients. AHB does, upon review, permit transactions in the same securities as those selected for its advisory clients to be effected on the same day at a time significantly different than that of client transactions. All transactions are reviewed on a daily basis to ensure adherence to the foregoing policies. AHB receives no payment for order flow.

Review of Accounts

Periodic Reviews and Review Triggers

Account reviews are performed on a regular basis by the Investment Policy Committee as a part of the investment management process. They are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

At least annually and more frequently when market conditions dictate, a portfolio is reviewed with the client and/or financial advisor who referred the account. Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

Regular Reports

AHB Wrap Fee Program clients receive confirmations of all transactions and account statements quarterly, as well as in any month in which there is activity. In addition, AHB Wrap Fee Program clients receive written quarterly reports. The written quarterly updates may include an Investment Outlook, Portfolio Appraisal, Performance for the period, year to date and since inception and the portfolio's stated investment objectives.

Client Referrals and Other Compensation

Incoming Client Referrals

AHB has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. Often AHB does not compensate referring parties for these referrals. The following arrangements are for client referrals whereby AHB does compensate for client referral.

AHB has entered into a separate arrangement with Fred DeMyer ("FDM") whereby FDM introduces prospective clients to AHB from time to time for the purpose of providing AHB with an opportunity to offer and sell its advisory services to such prospective clients. AHB has agreed to pay FDM 33 1/3% of the advisory fees it receives from all persons who become advisory clients introduced by or through FDM for as long as such persons remain AHB clients. The agreement between the parties provides that FDM provide certain written disclosure documents to prospective clients at the time of FDM's introduction of AHB to them, which disclose the nature of the compensation agreement between AHB and FDM or between AHB and include AHB's ADV Part 2A as well as the AHB Wrap Fee Program Brochure and prospective client with disclosure documentation discussing the nature of the compensation agreement between AHB and FDM. Clients who are referred by FDM do not pay a higher advisory fee than clients who approached or are solicited by AHB directly.

AHB has entered into a separate arrangement with Nicholas R. Limongelli (“NRL”) whereby NRL introduces prospective clients to AHB from time to time for the purpose of providing AHB with an opportunity to offer and sell its advisory services to such prospective clients. AHB has agreed to pay NRL 33 1/3% of the advisory fees or 20% of a wrap fee it receives from all persons who become advisory clients introduced by or through NRL for as long as such persons remain AHB clients. A wrap fee is an all-inclusive fee encompassing both advisory and execution services. The agreement between the parties provides that NRL provide certain written disclosure documents to prospective clients at the time of NRL’s introduction of AHB to them, which disclose the nature of the compensation agreement between AHB and NRL and include AHB ADV Part 2A as well as the AHB Wrap Fee Program Brochure. AHB will also provide the prospective client with disclosure documentation discussing the nature of the compensation agreement between AHB and NRL. Clients who are referred by NRL do not pay a higher advisory fee than clients who approached or are solicited by AHB directly.

AHB has entered into a separate arrangement with Northeast Professional Planning Group, Inc. (“NPPG”) whereby NPPG introduces prospective clients to AHB from time to time for the purpose of providing AHB with an opportunity to offer and sell its advisory services to such prospective clients. AHB has agreed to pay NPPG 33% of the advisory fees it receives from all persons who become advisory clients introduced by or through NPPG for as long as such persons remain AHB clients. A wrap fee is an all-inclusive fee encompassing both advisory and execution services. The agreement between the parties provides that NPPG provide certain written disclosure documents to prospective clients at the time of NPPG’s introduction of AHB to them, which disclose the nature of the compensation agreement between AHB and NPPG and include AHB ADV Part 2A as well as the AHB Wrap Fee Program Brochure. AHB will also provide the prospective client with disclosure documentation discussing the nature of the compensation agreement between AHB and NPPG. Clients who are referred by NPPG do not pay a higher advisory fee than clients who approached or are solicited by AHB directly.

AHB has enter into an agreement with BIC Distributors, LLC (“BIC”) whereby BIC agrees to use its efforts to identify, refer and introduce customers of registers representatives of brokers dealers and registered investment advisors to AHB in order that those customers might become customers of AHB. AHB has agreed to pay BIC 40% of the annual management fee earned by AHB for its services rendered to those who become customers by reason of being introduced to AHB by BIC. The agreement provides that BIC is to provide certain disclosure documents including but not limited to the most current Form ADV Part 2A, to prospective customers at the time of BIC’s introduction of AHB, which discloses, among other things, the nature of the compensation agreement between AHB and BIC. AHB also will provide BIC with updated disclosure documentation upon any changes to such documentation. Customers who are referred by BIC do not pay a higher advisory fee than customers who approached or are solicited by AHB directly.

Referrals Out

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

Financial Information

Financial Condition

AHB does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients. A balance sheet is not required to be provided because AHB does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client, six months or more in advance. For additional information clients are advised that a copy of Abner, Herrman & Brock, LLC Form ADV Part 2A is available upon request.

Brochure Supplement (Part 2B of Form ADV)

This brochure supplement provides information about AHB's Investment Policy Committee that supplements the AHB Wrap Fee Program Brochure that is on the preceding pages of this document.

Education and Business Standards

Abner, Herrman & Brock, LLC (AHB) requires that those employees who are involved in developing investment strategies have an advanced college degree as well as further coursework demonstrating knowledge of securities analysis and the investment management industry. Examples of acceptable coursework include: an MBA, a CFA, JD, or CPA. Additionally, advisors must have significant work experience that demonstrates their aptitude for investment management.

Professional Certifications

Employees have earned professional certifications and credentials that are required to be explained in further detail.

Chartered Financial Analyst (CFA): Chartered Financial Analysts are licensed by the CFA Institute to use the CFA mark. CFA certification requirements:

- Hold a bachelor's degree from an accredited institution or have equivalent education or work experience.
 - Successful completion of all three exam levels of the CFA Program.
 - Have 48 months of acceptable professional work experience in the investment decision-making process.
 - Fulfill society requirements, which vary by society. Unless you are upgrading from affiliate membership, all societies require two sponsor statements as part of each application; these are submitted online by your sponsors.
 - Agree to adhere to and sign the Member's Agreement, a Professional Conduct Statement, and any additional documentation requested by CFA Institute.
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Howard J. Abner, CFA

Date of Birth: 12/12/37

Educational Background:

- Cornell University, The Johnson School, M.B.A, Finance, 1961
- University of Bridgeport, B.A., Economics, 1959

Business Experience:

- Abner, Herrman & Brock, LLC , Chairman , 1981 – Present
- Laidlaw Adams & Peck, Vice President, 1976-1981
- Jas. H. Oliphant & Co., President, 1967 – 1976

Disciplinary Information: None

Other Business Activities: Howard J. Abner is a registered representative of AHB with the Financial Industry Regulatory Authority (FINRA). Howard J. Abner receives commissions based on the sale of securities for standard advisory clients of AHB. The standard agreement provides the supervised person of the portfolio with incentive to recommend securities based on the compensation received and not only based on client needs.

Additional Compensation: None

Supervision: Caryn A. Zweig supervises Howard J. Abner' s advisory activities though the firm' s portfolio management system as well as through office interactions.

Caryn A. Zweig contact information: 201-484-2008, czweig@ahbi.com

Caryn A. Zweig

Date of Birth: 11/30/66

Educational Background:

- Columbia Business School, M.B.A., 1998
- Cornell University, B.S. , Business Management, 1988

Business Experience:

- Abner , Herrman & Brock, LLC, 1990-Present
 - Chief Operating Officer, 2010-Present
 - Managing Director, 2005-2010
 - Senior Portfolio Manager, 1998-2005
 - Portfolio Manager, 1994-1998
 - Associate Portfolio Manager 1990-1994
- Atalanta/Sosnoff Capital, Associate Analyst, 1988-1990
- Oppenheimer Fund Management, Associate, 1988

Disciplinary Information: None

Other Business Activities: Caryn A. Zweig is a registered representative of AHB with the Financial Industry Regulatory Authority (FINRA). Caryn Zweig receives commissions based on the sale of securities for standard advisory clients of AHB. The standard agreement provides the supervised person of the portfolio with incentive to recommend securities based on the compensation received and not only based on client needs.

Additional Compensation: None

Supervision: Caryn A. Zweig is supervised by Howard J. Abner, Chairman. He reviews Caryn A. Zweig' s work during office meetings. He also reviews her activities through our client relationship management system. Howard J. Abner contact information: 201-484-2000, habner@ahbi.com

Kevin E. Strauss, CFA

Date of Birth: 1/20/70

Educational Background:

- Cornell University, Johnson School, M.B.A., 1994
- Cornell University, B.S., Business Management, 1992

Business Experience:

- Abner , Herrman & Brock, LLC, 2002 -Present
 - President, 2010-Present
 - Managing Director, 2005-2010
 - Senior Portfolio Manager, 2002-2005
- Smith Barney Asset Management, 1993-2001
 - Senior Portfolio Manager 1998-2001
 - Associate Analyst, 1994-1998

Disciplinary Information: None

Other Business Activities: Kevin E. Strauss is a registered representative of AHB with the Financial Industry Regulatory Authority (FINRA). Kevin E. Strauss does not receive any compensation based on the sale of securities or other investment products.

Additional Compensation: None

Supervision: Kevin E. Strauss is supervised by Howard J. Abner, Chairman. He reviews Kevin E. Strauss' s work during office meetings. He also reviews his activities through our client relationship management system. Howard J. Abner contact information: 201-484-2000, habner@ahbi.com

Bryan L. DiDonato, CFA

Date of Birth: 9/22/1980

Educational Background:

- Cornell University, B.S., Applied Economics/Business Management, 2003

Business Experience:

- Abner , Herrman & Brock, LLC, 2005 -Present
 - Vice President, 2010-Present
 - Associate Portfolio Manager, 2007-2009
 - Research /Trading Associate, 2005-2007
- L. DiDonato & Assoc. , Wine Sales Representative, 2003-2005

Disciplinary Information: None

Other Business Activities: Bryan L. DiDonato is a registered representative of AHB with the Financial Industry Regulatory Authority (FINRA). Bryan L. DiDonato does not receive any compensation based on the sale of securities or other investment products.

Additional Compensation: None

Supervision: Bryan L. DiDonato is supervised by Howard J. Abner, Chairman. He reviews Bryan L. DiDonato' s work during office meetings. He also reviews his activities through our client relationship management system. Howard J. Abner contact information: 201-484-2000, habner@ahbi.com