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This brochure provides information about the qualifications and business practices of Eidelman Virant Capital. If you have any questions about the contents of this brochure, please contact us at (314) 727-9686. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by a state securities authority. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about Eidelman Virant Capital also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Material Changes to Part 2A of Form ADV

This section is to advise you of material changes only since the last update of our brochure:

Tom Eidelman took on the role of Chief Compliance Officer at the beginning of 2019.

If you would like any additional details on the areas covered in this document, please contact us using the information listed at the top of this page.

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## Advisory Business

At Eidelman Virant Capital, we aim to outperform the S&P 500 & Russell 2000 indices with less risk using value investing principles. We are active investment managers that focus on selecting a diversified portfolio of individual securities and other investments. Each client portfolio is managed individually to allow maximum flexibility and to properly adhere to the specific goals and objectives of each client.

Clients may impose restrictions on investing in certain securities or types of securities, but we handle these requests on a case by case basis. If it gets to the point where the restrictions do not give us the flexibility to invest according to our approach, we may discuss with the client whether it is a good fit for us to continue to manage their account.

For certain clients we will provide financial planning services including but not limited to retirement, insurance, and education planning. The firm does not sell any financial products but may manage the client's investable assets. The advisory services provided to clients take into account each client's individual needs.

As of 12/31/2018, we manage approximately \$292,200,000 which includes individual and institutional clients as well as our personal assets with discretionary authority on virtually all assets under management.

Our firm was founded in 1982 by our President, David Eidelman. Principal owners include David Eidelman (25%), John Virant Jr (25%), John Virant III (25%), Tom Eidelman (25%).

## Fees and Compensation

Eidelman Virant Capital is compensated by charging an annual fee of our clients' assets under management. There is a flat fee schedule which varies from 0.50%-1.50% per year depending on the client, investment strategy, assets managed, and other factors. Fees are calculated and assessed at the end of each quarter and are based upon the market value of the assets under management at the end of each quarter that we have managed it. Under certain circumstances, fees are negotiable.

Fees are charged from clients' assets held at their custodian on a quarterly basis. This amount shows on their custodial statement and we may send invoices to the clients as well.

Clients will incur custodial fees, brokerage and other transaction costs and miscellaneous fees in addition to our management fee. For those accounts that contain mutual funds, clients should be aware that the fund companies may charge their own management fees as well. Please see the "Brokerage" section of this brochure for more detail.

The advisory fee may be waived for clients invested in Pinetree Partners, LP that pay a management fee to us through the fund. Management fees may be waived at our discretion.

## Performance-Based Fees and Side-By-Side Management

Not applicable.

## Types of Clients

Eidelman Virant Capital manages assets for individuals, pension and profit sharing plans, trusts, estates, retirement accounts, other personal accounts, charitable organizations, and also corporations or business entities other than those listed previously.

We require a \$1,000,000 minimum initial investment though we may make exceptions to this minimum requirement depending on the circumstances at our discretion.

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

At Eidelman Virant Capital, we manage assets using a value approach and apply fundamental securities analysis. This includes examining metrics to gauge the intrinsic value of a security including its price-to-book ratio, free cash flow-to-enterprise value ratio, and price-to-normalized earnings to name a few. We prefer to buy securities trading at low multiples of the above ratios.

Additionally, we examine other characteristics such as management quality, corporate culture, stock price momentum, management buying or selling, balance sheet strength and earnings quality. We consider global macroeconomic trends to find securities and sectors that may have sustainable growth prospects.

We also look for special situations and market inefficiencies that fly under the radar, are “too complicated” or go against the conventional thinking or investor sentiment. At times, we pay attention to investor psychology, because hope and fear can often lead investors to make irrational decisions which create opportunities to buy or sell certain securities.

Our core values and years of experience have shaped what we focus on during our intensive research and our interpretation of the information that we uncover. We look at what we feel are the key drivers of earnings, cash flow, and price appreciation. During the course of our analysis, we may review annual reports, prospectuses, SEC filings, research reports prepared by others, corporate ratings services, company press releases, inspections of corporate activities, financial newspapers and magazines, speak directly with management, and other research methods.

From there, we construct a portfolio of around 30-50 securities across the various market sectors to minimize individual stock and sector risk while allowing our selected investments to generate the investment performance.

We are invested mainly in equities or securities that may exhibit equity-like returns. Although going on margin, short-selling, and short-term trading are not major components of our investment strategy for all clients, some may request that we do so to potentially enhance portfolio return. Investing in equities and/or using these other strategies may lead to significant volatility of a client’s assets. Often, we invest in securities that underperform the market and/or do not meet our initial expectations after our research. Though we do our best to minimize risk, volatility and investment losses may occur. By investing with our firm, clients’ securities and portfolios are taking on equity-like risk and may be subject to loss of principal.

## Disciplinary Information

Eidelman Virant Capital and its management have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client’s or prospective client’s evaluation of Eidelman Virant Capital’s advisory business or the integrity of its management.

## Other Financial Industry Activities and Affiliations

Eidelman Virant Capital manages a pooled investment vehicle called Pinetree Partners, LP. The fund’s Confidential Offering Memorandum and Fifth Amended and Restated Limited Partnership Agreement dated January 1, 2013 sets forth its investment objective, policies, restrictions and limitations. This fund is managed in accordance with those guidelines. It is not marketed to the general public. The offering of its interests is solely on a private placement basis to accredited investors as described in its Confidential Offering Circular.

John Virant is the lead portfolio manager and the Virant family has personal assets invested in Pinetree Partners, LP.

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

Eidelman Virant Capital's Code of Ethics is intended to ensure adherence to the standards, and compliance with the provisions, of Rule 204A-1 of the Investment Advisers Act of 1940. It covers our standards of conduct, including compliance with fiduciary duties and securities laws. It also covers access person report requirements, review of employee holdings and transaction reports, and implementation and enforcement of our Code of Ethics.

We will provide a copy of our Code of Ethics to any client or prospective client upon request.

At our firm, it is very common for an employee to buy or sell securities for itself that it transacts for clients. When available and appropriate, principal officers and employees participate in the same block trades as our clients. Block or bunched trading occurs when it is in the best interest of our clients, consistent with our duty to obtain best execution, and consistent with the terms of the client agreement. The terms for the transaction apply equally to each participating client, principal, and employee involved in the block. The price of the securities purchased or sold in a bunched transaction should be at the average price for all applicable security transactions on that given day, with all transaction costs shared on a pro rata basis by all participating clients and employees. The allocation of securities purchased or sold in a bunched trade must be made in accordance with our allocation procedures.

Though many of the securities owned by our clients are also owned by our principals and employees, the principals and employees may also place trades in securities currently owned by our clients outside of the block trades so long as it does not conflict with our code of ethics and does not significantly impact any clients' holding or transaction of that particular security.

Potential conflicts of interest for both of these situations may include a principal, employee, or client holding a higher or lower dollar amount or percentage of account size from others (greater or less exposure) or no exposure at all. When an employee or principal buys or sells a security outside of a block trade particularly on days after the block trade with the clients is executed, the commissions and fees or security's price may be higher or lower than the client's transacted price.

## Brokerage Practices

Eidelman Virant Capital has the authority given by our clients to determine without obtaining specific client consent, the securities to be bought and sold, the amount of securities to be bought and sold, the broker or dealer to be used, and the commission rates paid. It is in our firm and clients' best interest to seek out the best value when placing trades. Therefore, Eidelman Virant Capital seeks best execution for all transactions. When evaluating best execution we examine the commission rate, access to liquidity, skill of traders, robustness of trading platform, size of the security, knowledge of the security, market impact, timing of the trade and other factors.

Many of the brokers that we use provide us valuable services including access to their analysts, research reports, recommendations and liquidity in certain securities which help our firm and clients get access to those investments. At times, the outright commissions or fees we pay may not be the lowest available or perhaps give us the most favorable execution. However, we believe that pricing and commissions paid are commensurate with the services received by Eidelman Virant Capital in order to add value to our clients' portfolios.

Eidelman Virant Capital does receive research services including economic and financial data and research databases and reports from certain brokers. Research services provided or arranged by brokers through which Eidelman Virant Capital effects securities transactions might be used for all of the firms accounts and might not be used for the particular accounts which may have paid commissions to brokers providing such services.

When we use client brokerage commissions to obtain research or other products or services, we receive a benefit, because we do not have to produce or pay for the research products or services, though principals and employees typically participate in the client block trades and are subject to the same fees and commissions.

Eidelman Virant Capital has the authority to determine, on behalf of our clients, various securities and the amount to be bought and sold. Decisions are made keeping under consideration each individual client's objectives and constraints. Eidelman Virant Capital does not provide custody or brokerage services, therefore we use a network of brokers with which we place orders. In selecting brokers or dealers

to execute transactions, we will not solicit competitive bids, and do not have an obligation to seek the lowest available commission rates. However, we believe that pricing and commissions paid are commensurate with the services received by Eidelman Virant Capital in order to add value to our clients' portfolios.

Though not all advisers require their clients to direct brokerage, Eidelman Virant Capital may recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. to maintain custody of clients' assets and to affect trades for their accounts. Schwab Institutional provides Eidelman Virant Capital with access to its institutional trading and operations services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors at no charge to them so long as a total of at least \$10 million of the advisor's clients' account assets are maintained at Schwab Institutional. Schwab Institutional's services include research, brokerage, custody, access to mutual funds and other investments that are otherwise available only to institutional investors or would require a significantly higher minimum initial investment. We keep our clients' best interests at heart but we are required to tell you that we may have an incentive to select or recommend a broker-dealer based upon our interest in receiving the research or other products or services, rather than on our clients' interests in receiving most favorable execution.

Schwab Institutional also makes other products and services available that benefit Eidelman Virant Capital but may not benefit its clients' accounts. Some of these other products and services assist Eidelman Virant Capital in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of Eidelman Virant Capital fees from its clients' accounts and assist with back-office support, recordkeeping and client reporting. Many of these services generally may not be used to service all or a substantial number of Eidelman Virant Capital's accounts, including accounts not maintained at Schwab Institutional. Schwab Institutional may also provide Eidelman Virant Capital with other services intended to help Eidelman Virant Capital manage and further develop its business enterprise. These services may include consulting, publications, and presentations on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, Schwab may make available, arrange and/or pay for these types of services to Eidelman Virant Capital by independent third-parties. By directing brokerage, we may be unable to achieve most favorable execution of client transactions, and this practice may cost client more money. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to Eidelman Virant Capital.

We do permit clients to direct brokers at their request. If/when that is the case, we may be unable to achieve the most favorable execution of client transactions, and directing brokerage may cost the client more money. For example, in a directed brokerage account, the client may pay higher brokerage commissions because we may not be able to aggregate orders to reduce transaction costs, liquidity of a security, or the client may receive less favorable prices.

#### Review of Accounts

Eidelman Virant Capital frequently reviews each client portfolio monthly and often daily. At least once a quarterly, accounts are comprehensively reviewed. The review includes, but is not limited to, portfolio positions, cash balances, performance, recent client events, portfolio and client constraints, tax considerations, and other factors specific to the client and account. A majority of the reviews are completed by David Eidelman, President, John Virant, Principal, Portfolio Manager, and/or Thomas Eidelman, Managing Director, Portfolio Manager. Comprehensive account reviews are also conducted by Stan Finger, Portfolio Manager. Specific reviews also may be triggered by investment performance that deviates from the expected volatility or performance under current market conditions, or a broad-based change in the financial markets.

A quarterly report is sent to the client showing the holdings of their portfolio, the acquisition date, quantity, cost, current price, percentage of portfolio, gain/loss information for each asset in the portfolio, and other information. Also shown are the beginning/ending asset value, net additions/withdrawals, realized/unrealized gains/losses, and management fees for the current period. These reports are generated by our portfolio management systems. For Pinetree Partners, LP, they receive a COC when it has been updated for material changes, audited financial statements, and K-1s. We urge clients to compare the account statements they receive from their custodian with those they receive from Eidelman Virant Capital.

### Client Referrals and Other Compensation

Not Applicable.

### Custody

Our clients have accounts and their assets at qualified custodians. These custodians provide statements at least quarterly directly to our clients. Clients are urged to carefully review those statements. We send investment reports and statements generated from our portfolio management systems regularly throughout the year, and we encourage our clients to compare these reports to their custodial statements.

### Investment Discretion

Eidelman Virant Capital accepts discretionary authority to manage securities accounts on behalf of clients. Clients however may place certain limitations such as wanting to buy, hold, or sell certain securities, minimize capital gains & losses, avoid or concentrate certain market sectors or capitalizations, invest at a higher or lower exposure than our typical client, and others.

Before we assume discretionary authority, clients must sign our advisory agreement in the section that gives us the discretionary authority. Also, most custodians have a section on their new account paperwork which grants us discretionary authority as well. Without a client signature in that area, the custodians generally will not let us exercise the discretionary authority although they have signed our investment agreement. It is a double-check of sorts.

### Voting Client Securities

We have and accept authority to vote client securities. Most of the time, we vote in line with the management's recommendations unless we determine that it is not in the best interest of our clients to do so. If a conflict of interest comes up when voting client securities, we may choose from the following options: 1) obtain approval from the client prior to voting; 2) establish a pre-determined voting policy for all future voting; 3) request that the client appoint a third party who would determine how the voting should be handled. Clients may obtain information on how we voted their securities, and or receive a copy of our proxy voting policies and procedures upon request.

### Financial Information

Not Applicable.

## Supervised Person Biographies-Brochure Supplement

This brochure supplement provides information about David Eidelman, John Virant Jr, John Virant III, Tom Eidelman, and Stan Finger that supplements the Eidelman Virant Capital brochure and information above. Please contact our firm at (314) 727-9686 if you have any questions about the contents of this supplement.

Additional information about the people listed below is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### **David Eidelman, CFA – President**

David Eidelman founded the firm in 1982 and serves as President. David is responsible for the company's investment and corporate operations.

David started his investment career in 1969 with Scherck, Stein, & Franc, Inc. where he performed research for financial institutions. In 1970, he joined I.M. Simon & Co. as Director of Research and became a Partner in 1972. He joined Reinholdt and Gardner in 1975, serving as Director of Research and as a General Partner. In 1978, he accepted the position of Executive Vice President with Northwestern Bottle Company, one of the nation's largest container distributors, where he served until the firm's founding. David received his B.B.A. in finance and his M.B.A. from University of Wisconsin.

### **John A. Virant, Jr. – Principal, Portfolio Manager**

John is a Principal and Portfolio Manager for Eidelman Virant Capital. His primary responsibility is managing equity portfolios for high net worth individuals, retirement plans, and investment manager for Pinetree Partners, LP investment partnership.

Prior to joining Eidelman Virant Capital in 2010, John was a founder and Chief Investment Officer with HM Capital Management from 2005 to 2010. Prior to that, he was Senior Vice President and Senior Portfolio Manager with Wachovia Securities. Areas of responsibility were similar in nature to present responsibilities. John held the position of Senior Vice President at PaineWebber from 1988 to 2000, Prudential Securities Inc from 1981 to 1988, and Stix & Co, a local St. Louis investment firm from 1972-1981. He was Vice President at Walston & Co, another local St. Louis firm from 1965-1972. John received his B.S. from St. Louis University.

### **John A. Virant III – Principal**

John is a Principal for Eidelman Virant Capital. His primary responsibilities are client relations and investment research.

Prior to joining Eidelman Virant Capital in 2011, John worked at recorded music label Rounder Records for 25 years, serving as President & CEO from 1998 until its sale in 2010 to Concord Music Group, and then as President through the end of 2017. Under John's leadership, the label's artists won over 40 Grammy Awards (including Album and Record of the Year for Robert Plant and Alison Krauss *Raising Sand*). John was Executive Producer on two award-winning documentary films about Rock & Roll Hall of Fame members Rush: *Beyond the Lighted Stage* and *Time Stand Still*. John received his B.A. from New York University and his J.D. from Harvard Law School.

### **Tom Eidelman, CFA – Managing Director, Chief Compliance Officer, Portfolio Manager**

Tom Eidelman is a Managing Director, Chief Compliance Officer and Portfolio Manager for Eidelman Virant Capital. He leads the company's investment research and strategic development.

Prior to joining Eidelman Virant Capital in 2004, Tom worked as a financial analyst for Microsoft Corporation in Seattle, Washington. He spent time as an analyst both in their MSN business division as well as in their Portfolio Management Group working in their fixed income department. He also held positions as an equity analyst for Stifel Corp in 1998 and Eidelman Virant Capital in 1997. Tom received his B.S. in Business from Indiana University in both Finance and Computer Information Systems.

**Stan Finger – Portfolio Manager**

Stanley Finger is a Portfolio Manager for Eidelman Virant Capital and has worked with David Eidelman since 1974. In addition to portfolio management responsibilities, he is responsible for investment research and concentrates in the analysis and selection of banks, savings and loans, and insurance securities.

Stan joined the faculty at Washington University in 1968 and is now Professor Emeritus. He has published over 100 articles and 7 books in the biomedical area and also provides valuable insight into medical related investments. Stan received his B.A. from Hunter College and his M.A. and Ph.D. from Indiana University.