

**Benjamin Securities, Inc.**

Client Brochure

Form ADV Part II

This brochure provides information about the qualifications and business practices of Benjamin Securities, Inc. If you have any further questions about the contents of this brochure, please do not hesitate to contact us at (516) 931-1090 or by email at: [wbaker@benjaminsecurities.com](mailto:wbaker@benjaminsecurities.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or any state securities authority.

Additional information about Benjamin Securities, Inc. is also available on the SEC's website at <http://www.adviserinfo.sec.gov> . Benjamin Securities, Inc.'s CRD # is: 7754

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## Material Changes

1. Effective 2016 The firm charges performance fees for some investment strategies. A discussion of the conflicts this presents can be found on page 5 of this brochure.
2. This document is available on the SEC's public disclosure website, <http://www.adviserinfo.sec.gov>
3. We may update this brochure at any time and send you a copy or offer to send you a copy by email or in hard-copy form.
4. If you would like another copy of this brochure, please download it from the SEC website as indicated above or contact William Baker, our Chief Compliance Officer, at 516-931-1090 or [wbaker@benjaminsecurities.com](mailto:wbaker@benjaminsecurities.com)

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## **Advisory Business**

### Description of the Advisory Firm:

Benjamin Securities, Inc. was founded on August 5, 1977, by Leo & Ann Benjamin. The Firm is registered with the Securities and Exchange Commission as a registered investment advisor and is a member of the Financial Industry Regulatory Authority (FINRA), the Municipal Securities Rule Making Board (MSRB), and the Securities Investors Protection Corporation (SIPC). The firm is a correspondent of RBC Capital Markets, LLC who provides securities execution, clearing services, and custodial services. In addition, the firm has a custodial arrangement with Interactive Brokers, LLC for advisory client accounts.

### Our Services:

Benjamin Securities, Inc manages investment accounts for individuals, trusts, businesses, and foundations. The following services are offered to our clients where appropriate:

1. Traditional brokerage cash and margin accounts held by RBC Capital Markets, LLC
2. Portfolio design and management of securities on a fee basis, on a commission basis, or under a separately managed account arrangement
3. Covered Call writing under a separately managed account arrangement
4. Focused investment strategies on a performance fee based account arrangement

### Individual Accounts:

Our accounts are individually managed and client funds are not co-mingled. We are able to customize accounts to address the needs of individual clients, including tax considerations, investment objectives, and socially conscious restrictions.

### Assets under management:

We currently manage approximately \$31.5 million in assets. Our advisory clients may or may not give us discretion over their accounts.

## **Fees and Compensation**

### Fees:

Our fee is calculated as a percentage of assets under management. The fee charged by Benjamin Securities, Inc. is 2% or less annually for advisory clients. We do not have a fixed fee schedule, but consider account size and investment

objectives, and services required in determining our fee. We may negotiate lower management fees.

#### Payment of Fees:

Fees may be collected or deducted directly from client accounts quarterly or monthly in arrears. Fees may also be invoiced and billed directly to the client monthly or quarterly in arrears. Clients may select the method in which they are billed. We calculate the amount due based on the closing value of the account at the end of the previous period. The custodian does not validate or check our fee, and we recommend that clients do so.

#### Additional Fees and Expenses:

Clients are responsible for the payment of all third-party fees (i.e. Custodian fees, mutual fund fees, transaction fees, etc.) Those fees are separate and distinct from the fees and expenses charged by Benjamin Securities, Inc. Please see the section titled “Brokerage Practices” of this brochure regarding brokers/custodians.

#### **Performance-Based Fees**

Benjamin Securities, Inc. charges performance-based fees on certain investment strategies for qualified investors. The firm currently charges a 20% performance fee on these strategies, charged quarterly in arrears. This performance fee is charged on a share of capital gains on or capital appreciation of the assets in these accounts. These fees are subject to a high-water mark. You should be aware that performance-based fee arrangements may create an incentive for us to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. We also have an incentive to favor accounts that pay performance-based fees because compensation we receive from these clients is more directly tied to the performance of their accounts. Benjamin Securities, Inc. has compliance policies and procedures in place that it believes are reasonably designed to mitigate these conflicts of interest. The strategies subject to this arrangement are distinct and separate from our investment strategies subject to a fee based on a percentage of assets under management.

#### **Types of Clients**

We provide investment advice and services to the following types of clients:

- Individuals
- High-Net-Worth Individuals
- Trusts, Estates, and Charitable Organizations
- Corporations or Business Entities
- Pension and Profit Sharing Plans

Benjamin Securities, Inc requires a minimum account of \$50,000 for advisory clients, although we make exceptions.

## **Method of Analysis, Investment Strategies, and Risk of Loss**

### **Method of Analysis**

Benjamin Securities, Inc.'s methods of analysis include fundamental and cyclical analysis. We may use our own analysis or third-party research to identify attractive investment opportunities. Through our analysis we seek to identify companies that appear to be undervalued in our opinion based on cash flows, earnings, growth potential, or assets.

### **Investment Strategies**

Benjamin Securities, Inc. uses primarily a long-term investment strategy in portfolio planning. However, we use a short term investment strategy for our Covered Call writing advisory clients as well as our performance fee based strategies.

### **Risk of Loss**

All investments in securities include a risk of loss that you, as a client, should be prepared to bear.

## **Disciplinary Information**

In 2006, William Baker was the subject of a regulatory investigation while a director at EKN Financial Services, Inc. The NASD alleged the firm purchased restricted PIPE shares and arranged to establish short positions in the stocks without either owning the securities, or borrowing unrestricted shares. Mr. Baker, without admitting or denying the findings, consented to described sanctions and entry of findings. He was fined \$15,000 jointly and severally with the firm and suspended from acting in a supervisory capacity for 10 business days.

## **Other Financial Industry Activities and Affiliations**

Benjamin Securities, Inc. is an SEC registered investment advisor and a FINRA registered broker dealer. Some Benjamin Securities, Inc. advisors are licensed as registered representatives with Benjamin Securities, Inc. From time to time, they will offer clients advice or products from those activities. Clients should be aware that these services pay a commission and involve a possible conflict of interest, as commissionable products may conflict with the fiduciary

duties of a registered investment advisor. Benjamin Securities, Inc. always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of Benjamin Securities, Inc. in their capacity as a registered representative. However, if they implement the advice through Benjamin Securities, Inc, the commissions they pay may be higher or lower than at other broker dealers.

### **Code of Ethics**

Benjamin Securities, Inc. has adopted a Code of Ethics that governs a number of potential conflicts of interest that we may have in providing services to our clients. This Code of Ethics has been designed to ensure that we meet our fiduciary obligation to our clients and to prevent violations of securities laws. Our Code of Ethics is comprehensive and is distributed to each employee at the time of hire. We also supplement the Code with an annual compliance meeting and ongoing monitoring of personal trading activity by employees of the firm.

Our Code of Ethics includes the following:

- Prohibitions on insider trading and other prohibited activities
- Requirements on client confidentiality
- Guidelines on priority of transactions when trading for personal accounts
- Procedures for monitoring employee holdings
- Limitations on receiving or giving gifts from colleagues or clients

We believe it is important for members of the firm to own the same securities as we purchase for clients. However, we recognize the potential conflicts that this creates. Benjamin Securities, Inc. will always document any transactions that could be construed as conflicts of interest and will always put client interests before their own when similar securities are being bought or sold. Our code requires investment professionals to exercise judgment and sensitivity to avoid conflicts of interest, and always put the interest of our clients first.

### **Brokerage Practices**

**Selecting Brokers:** Our advisory clients are not obligated to implement our advice through Benjamin Securities, Inc. and may utilize a brokerage firm of their choosing. In addition, clients implementing the covered call writing advisory service primarily utilize Interactive Brokers, LLC for brokerage services. They also are not obligated to implement our advice through any particular brokerage firm and may utilize a firm of their choosing. By implementing our advice through Benjamin Securities, Inc. or Interactive Brokers, LLC, clients may pay higher or lower commissions and transaction fees than they can negotiate elsewhere.

In all cases, Benjamin Securities, Inc. will seek to ensure that the firms' fiduciary and supervisory obligations can be met. If we feel that the use of a particular broker dealer would hinder the firm's ability to meet either of these obligations, Benjamin Securities, Inc. will not be able to accept the account.

We receive research and software tools through Benjamin Securities, Inc.'s correspondent relationship with RBC Capital Markets, LLC. These services assist Benjamin Securities, Inc with managing and administering clients' accounts. The research and software may benefit all our advisory clients, not just those utilizing Benjamin Securities, Inc for their brokerage services. The fact that we receive these services through Benjamin Securities, Inc. may create a potential conflict of interest and may cost clients more money.

Benjamin Securities, Inc. does not have any soft-dollar arrangements.

We have the ability to aggregate orders for multiple accounts, in which case each client receives the same average price in a transaction but we rarely do so. While aggregating orders may benefit clients by purchasing larger blocks in groups, we do not feel that the clients are at a disadvantage due to the best execution practices of our custodians.

### **Reviews of Accounts**

Portfolio Advisory client accounts are monitored daily and a comprehensive portfolio review is performed at least quarterly. In addition to monthly account statements generated by the custodian, we also prepare and send written reports to clients at least quarterly that show current holdings, balances, and recommendations.

Covered call advisory client accounts are reviewed daily, and comprehensive reviews are done on a monthly basis. Clients receive monthly account statements generated by the custodian and the advisor makes recommendations as circumstances present themselves. Covered call advisory clients also have access to their accounts online through the custodian.

All accounts are also reviewed in response to various events, such as deposits or withdrawals, transfers, client contact, major market events, individual security events, or changes in clients' financial situations (such as retirement, termination of employment, physical move, or inheritance).

Accounts are reviewed by William T. Baker, President, Thomas Laundrie, Investment Advisor, and Catharine Chandler, Investment Advisor.



## **Client Referrals**

Other than items discussed in the Brokerage Practices section above, Benjamin Securities, Inc. does not receive any economic benefit outside of our advisory fees and commissions, either directly or indirectly for advice rendered to our advisory clients. In addition, Benjamin Securities, Inc. does not have any marketing arrangements outside of its own Advisors for client referrals. We occasionally receive client referrals from outside of the firm; however, we do not compensate the source of those referrals.

## **Custody**

Benjamin Securities, Inc. does not take custody of client accounts at any time. Custody of clients' accounts is held primarily at RBC Capital Markets, LLC and Interactive Brokers, LLC. Clients may elect other custodians as explained in "Brokerage Practices" above. Clients will receive account statements directly from the custodian and should carefully review those statements for accuracy. Benjamin Securities, Inc. urges clients to compare the account statements received from the custodian with the periodic portfolio reviews they receive from Benjamin Securities, Inc. The only time Benjamin Securities, Inc. is able to access client funds is to deduct our management fees in accordance with our Advisory Fee Agreement.

## **Investment Discretion**

Benjamin Securities, Inc. has limited discretionary authority for some client accounts. A Limited Trading Authorization form must be signed before Benjamin Securities, Inc. can assume discretion as to the selection of securities, amount, and timing of transactions.

## **Voting Client Securities (Proxy Voting)**

Benjamin Securities, Inc. will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## **Financial Information**

Benjamin Securities, Inc. does not solicit prepayment of more than \$1200 in fees per client, six month or more in advance and therefore does not need to include a balance sheet with this brochure.

## **Requirements for State-Registered Investment Advisors**

Not applicable

## Part 2B of form ADV- Brochure Supplement

This brochure supplement is provided on William T. Baker

Mr. Baker's contact information is:

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516-931-1090

December 29, 2016

This brochure supplement provides information about William T. Baker that supplements the Benjamin Securities, Inc. brochure. You should have received a copy of that brochure. Please contact William Baker at 516-931-1090 if you did not receive Benjamin Securities, Inc.'s brochure or if you have any questions about the contents of this supplement.

Additional information about William T. Baker is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

### Educational Background and Business Experience

Name: William T. Baker  
Date of Birth: August 9, 1962  
Education: US Coast Guard Academy  
Suffolk Community College  
Hofstra University  
Background: Senior Portfolio Manager, Benjamin Securities, Inc.  
Head Trader, Obsidian Financial Group, LLC  
Director of Trading at EKN Services, Inc.  
Institutional Sales Trader at Fagenson & Co., Inc

In 2006, Mr. Baker was the subject of a regulatory investigation while a director at EKN Financial Services, Inc. The NASD alleged the firm purchased restricted PIPE shares and arranged to establish short positions in the stocks without either owning the securities, or borrowing unrestricted shares. Mr. Baker, without admitting or denying the findings, consented to described sanctions and entry of findings. He was fined \$15,000 jointly and severally with the firm and suspended from acting in a supervisory capacity for 10 business days.

Mr. Baker is a FINRA registered representative at Benjamin Securities, Inc. and may offer clients advice or products from those activities. Clients should be aware that these services pay a commission and involve a possible conflict of interest, as commissionable products may conflict with the fiduciary duties of a registered investment advisor. Benjamin Securities, Inc. always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of Benjamin Securities, Inc. in their capacity as a registered representative. However if they implement the advice through Benjamin Securities, Inc, the commissions they pay may be higher or lower than at other broker dealers.

Mr. Baker does not receive compensation for providing advisory services outside of those fees and commissions earned at Benjamin Securities, Inc.

Mr. Baker is monitored and reviewed by Thomas Laundrie may be reached at 516-931-1090 or [tlaundrie@benjaminsecurities.com](mailto:tlaundrie@benjaminsecurities.com)

## **Part 2B of form ADV – Brochure Supplement**

This brochure supplement is provided on Catharine Chandler  
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516-931-1090

December 29, 2016

This brochure supplement provides information about Catharine Chandler that supplements the Benjamin Securities, Inc. brochure. You should have received a copy of that brochure. Please contact Catharine at 516-931-1090 if you did not receive Benjamin Securities, Inc.'s brochure or if you have any questions about the contents of this supplement.

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

### Educational Background and Business Experience

Name: Catharine Chandler  
Date of Birth: November 7<sup>th</sup> 1964  
Education: Randwick Sydney Australia - BA  
Series 65 registered investment advisor  
Background: Investment Advisor Representative at Benjamin Securities, Inc. since May 2012

Ms. Chandler comes from a business and investment background in real estate, both residential and commercial. She ran her own Interior Design company for 16 years in the Caribbean, worked in the industry for a total of 23 years and has also developed a successful residential rental income property business since 2003.

Ms. Chandler has never been the subject of any material investment-related legal or disciplinary actions.

Ms. Chandler is a Registered Investment Adviser Representative at Benjamin Securities, Inc. and may offer clients advice or products from those activities on a fees only basis.

Ms. Chandler is monitored and reviewed by William Baker, our President. Mr. Baker may be reached at 516-931-1090 or [wbaker@benjaminsecurities.com](mailto:wbaker@benjaminsecurities.com)

**Part 2B of form ADV – Brochure Supplement**

This brochure supplement is provided on Thomas Laundrie  
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December 29, 2016

This brochure supplement provides information about Thomas Laundrie that supplements the Benjamin Securities, Inc. brochure. You should have received a copy of that brochure. Please contact Thomas at 516-931-1090 if you did not receive Benjamin Securities, Inc.'s brochure or if you have any questions about the contents of this supplement.

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

### Educational Background and Business Experience

Name: Thomas Laundrie  
Date of Birth: September 4, 1950  
Education: St. Johns University  
Background: Vice President, Portfolio Manager, Benjamin Securities, Inc. since 2009  
Have been a licensed registered representative since 1983  
Have also acted in a licensed supervisory capacity since 1985  
President, Institutional Equity Corp.  
President, Basic Investors, Inc.

In 2009, Mr. Laundrie was the subject of a regulatory investigation while President of Basic Investors, Inc. FINRA alleged I failed to supervise the firm's, consulting business by failing to take any action to determine whether the firm was providing services to its clients pursuant to its business consulting agreements or was being paid solely for its market making activities. They alleged that I failed to take any action to review or monitor the firm's market making in the securities of the firm's clients. Without admitting or denying the findings, I consented to the described sanctions and to the entry of findings; I was fined \$15,000 and suspended from association with any FINRA member in any principal capacity for 45 days. The suspension was in effect from April 20, 2009 through June 3, 2009. Fines paid on 04/14/2009. I then needed to file for bankruptcy on 9/2009 to restructure my finances.

Mr. Laundrie is a FINRA registered representative at Benjamin Securities, Inc. and may offer clients advice or products from those activities. Clients should be aware that these services pay a commission and involve a possible conflict of interest, as commissionable products may conflict with the fiduciary duties of a registered investment advisor. Benjamin Securities, Inc. always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of Benjamin Securities, Inc. in their capacity as a registered representative. However if they implement the advice through Benjamin Securities, Inc, the commissions they pay may be higher or lower than at other broker dealers.

Mr. Laundrie does not receive compensation for providing advisory services outside of those fees and commissions earned at Benjamin Securities, Inc.

Mr. Laundrie is monitored and reviewed by William T Baker may be reached at 516-931-1090 or [wbaker@benjaminsecurities.com](mailto:wbaker@benjaminsecurities.com)