

THE  
**RANDOLPH**  
COMPANY

Inspired. Involved. Invested.

**Form ADV Part 2A**  
**Brochure**

March 18, 2020

AMENDED APRIL 21, 2020

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**This Brochure provides information about the qualifications and business practices of The Randolph Company. If you have any questions about the contents of this Brochure, please contact us at (513) 891-7144 or at [sherry@therandolphcompany.com](mailto:sherry@therandolphcompany.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about The Randolph Company is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for The Randolph Company is 104868.**

**The Randolph Company is a registered investment advisor; however, being registered does not imply a certain level of skill or training.**

## **Item 2. Material Changes**

The following material change has been made to this Brochure since the last update of March 18, 2020:

- Ning Liao, CFA, separated from The Randolph Company on April 2, 2020, and her Brochure Supplement has been deleted.

We encourage you to read this Brochure in its entirety.

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#### **Item 4. Advisory Business**

The Randolph Company (“RCO”) is an investment advisory firm organized in 1996 that offers portfolio management to high net worth individuals and families, trusts and foundations. Carter F. Randolph has been an investment consultant for over 30 years, possesses a Ph.D. in Finance and has been the principal owner of RCO since 1996. Carter Louis Randolph (“Louie”) joined RCO in November 2016 and serves as the Client Relationship Manager and has over five years of retail experience in building client relationships. Garrett Wayne joined RCO on June 3, 2019 as a Portfolio Manager after earning a master’s degree in finance. Garrett is a CFA Level I candidate and has actively managed multiple portfolio models. RCO’s Investment Committee is comprised of Carter, Louie and Garrett.

RCO’s primary objective is to provide discretionary portfolio management to meet our clients’ unique goals, needs and risk tolerances. RCO’s primary investment approach is based on purchases and sales of individual stocks pursuant to our research.

Clients grant RCO full discretion, allowing us to use our skills, expertise and experience to make investment choices designed to accomplish their financial goals. However, clients may impose restrictions on investing in certain types of securities by written notice to RCO.

As of December 31, 2019, RCO managed on a discretionary basis \$669,593,200 of client assets and maintained non-discretionary client assets totaling \$17,141,385.

#### **Item 5. Fees and Compensation**

Fees for investment advisory services are based on the market value of securities in accounts managed by RCO on the last day of each calendar quarter -- March, June, September and December. The Billing Summary is sent to clients, and fees are automatically deducted from accounts by the end of the months of April, July, October and January. There are no prepaid fees.

RCO’s fees are calculated using the annual schedule below and are billed for the previous quarter:

- .90% of the first \$1,000,000 (.23% quarterly)
- .80% of the next \$1,000,000 (.20% quarterly)
- .65% of ALL funds thereafter (.16% quarterly)

The minimum annual fee is \$750.00 which may be waived at RCO’s discretion.

For example: a fourth quarter fee would be calculated on the market value of the account at the close of business on December 31 and charged to the account prior to January 31:

**December 31 Market Value = \$2,895,000**

\$1,000,000 @ .23% = \$2,300

\$1,000,000 @ .20% = \$2,000

\$ 895,000 @ .16% = \$1,432

**Total Quarterly Fee = \$5,732**

RCO retains discretion to negotiate alternative fees on a client to client basis. The client's annual fee will be detailed within the Investment Advisory Agreement between each client and RCO. For example, any related accounts constitute a "household". All household accounts aggregating more than \$3,000,000 are subject to a negotiated fee.

There may be additional brokerage expenses relating to trades. Small incidental fees (less than .002%) may be charged by the various exchange markets to cover the costs of supervising and regulating the markets. RCO may invest client accounts in exchange-traded funds ("ETFs") and/or mutual funds. These types of investments may charge fees as disclosed in the respective fund's prospectus. RCO does not receive a portion of these fees nor does it receive any other compensation for the purchase or sale of securities or other investment products.

There is a conflict of interest when an RCO employee makes a recommendation that a participant roll over assets from a retirement account into a new or existing account (e.g. rollover IRA) managed by RCO. The conflict of interest exists, because RCO may receive compensation (e.g., management fees) if the money is rolled over, but, RCO will not receive compensation if the recommendation is not accepted. In some cases, RCO could have recommended that the participant leave his or her money in the plan, and, in that case, RCO would not be compensated for their advice. RCO will manage this conflict through a process designed to develop an informed recommendation in the best interest of the client.

#### **Item 6. Performance Based Fees and Side by Side Management**

RCO does not offer to manage investments with a fee based on capital gain or capital appreciation. The investment advisory management fee is based on the market value of securities in a client's account on the last day of each calendar quarter.

#### **Item 7. Types of Clients**

RCO offers investment management to high net worth individuals and families, trusts and foundations. The required minimum balance to open an account is \$1,000,000. This minimum may be waived at RCO's discretion.

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

RCO's investment strategy is focused on the purchase of high quality companies at prices that represent good value along with low levels of debt; pay and grow dividends; and are leaders in their industry. RCO's security screening process incorporates fundamental and technical analyses. Fundamental analysis involves analyzing a company's financial statements to determine the fair value of the business as compared to its market value. RCO also reviews management's experience and performance and the company's outlook within its industry. Technical analysis is utilized by RCO to forecast a company's future financial price movements based on reviews of past price movements.

RCO tends to be a value investor and does not chase momentum trends or invest in high valuation stocks. A high valuation would be an investment that is priced at a level that we believe overstates the future potential for the

investment. RCO achieves diversification within the portfolio by taking into account correlations between assets and exposure to different sectors of the S&P 500. Ongoing due diligence and monitoring of securities are conducted on a regular basis. The Investment Committee meets regularly to review macroeconomic news, portfolio strategy, sector weights, portfolio holdings and other topics.

RCO invests primarily in equities, and depending upon clients' needs, RCO may also invest accounts in exchange-traded funds ("ETFs"), mutual funds, bonds and/or other asset classes that have the potential to benefit the portfolio. As an active investment manager, RCO's investment approach is fluid and is subject to adjustments based on changing economic conditions. Any adjustment to RCO's investment approach is first carefully considered by the Investment Committee, and, if implemented, is designed to align with our clients' best interests.

***Risk of Loss:***

All investments bear event risk which is specific to the company issuing the security and systemic risk where events impact the entire economy. RCO attempts to mitigate risk through investment selection and diversification. RCO may also utilize covered call writing, which is selling call options on securities currently held in a client's account. No matter how RCO invests a client's portfolio, the fact remains that investing is risky, and loss of principal is possible.

**Item 9. Disciplinary Information**

The Randolph Company, Carter F. Randolph, Ph.D., Carter Louis Randolph, Garrett Wayne and employees have not been involved in any disciplinary actions.

**Item 10. Other Financial Industry Activities and Affiliations**

RCO has no material relationships or arrangements with any individuals or entities to report hereunder. RCO does not recommend or select other investment advisers for its clients.

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

Carter F. Randolph, Ph.D., Carter Louis Randolph, Garrett Wayne and employees recognize their fiduciary duty to clients as well as their duty to comply with federal and state securities laws and all other applicable laws. RCO's employees, through its Code of Ethics and Professional Conduct document, adhere to certain principles and obligations to ensure the interests of the client is RCO's number one priority. Our Code of Ethics and Professional Conduct document is available to any current or prospective client upon request to [sherry@therandolphcompany.com](mailto:sherry@therandolphcompany.com) or 513-891-7144.

RCO's employees may buy or sell securities for their own accounts that are recommended to clients or are already held in clients' accounts. RCO manages portfolios for employees and their family members. A conflict of interest could arise when securities are purchased or sold in employee and family accounts that are the same securities being purchased or sold in client accounts. The employee and/or a family member's account may get a better security price than the client when trading the same security.

To assist in avoiding a conflict of interest, RCO's Code of Ethics and Professional Conduct document requires employees to: (1) obtain authority from the Chief Compliance Officer or his designee prior to engaging in certain personal securities transactions; (2) report personal securities transactions on at least a quarterly basis; and (3)

submit a Holdings Report detailing all securities over which the employee has a direct or indirect beneficial interest. An initial Holdings Report is due within 10 days of beginning employment with RCO, and an annual Holdings Report must be submitted thereafter. In addition, employees must arrange to have account statements, at least quarterly, and transactional confirmations sent directly to the Chief Compliance Officer or his designee. Employee trades are reviewed by the Compliance Officer at least quarterly. Any violations to the Code of Ethics and Professional Conduct document are reported to and handled by the Chief Compliance Officer.

RCO also attempts to avoid potential conflicts of interest when trading in its managed accounts, including those for employees and family, by primarily aggregating trades. Securities are purchased or sold in a block account and then allocated to each participating managed account once the trade is complete. The aggregation is designed to promote fairness among managed accounts with regard to execution and price. Each participating account will receive the average execution price. Partial fills of a purchase or a sale will be allocated first on a pro-rata basis to client accounts not associated with employees or their family members.

RCO will not disclose non-public client information.

## **Item 12. Brokerage Practices**

### ***Selection of a Broker:***

RCO selects the broker-dealer and custodian for its clients. The broker-dealer is evaluated on its financial condition, commission rates, best execution capability and responsiveness. In particular, RCO considers the broker-dealer's ability to quickly fill purchase/sell orders at the best available price, the ability to access markets that provide the greatest potential to fill large and small orders and to charge commissions that are competitive with other broker dealers. The selected broker-dealer is also expected to consistently execute trades in an accurate and professional manner. In making the determination to use any particular broker-dealer, RCO's objective is not necessarily to obtain the lowest possible cost, but to obtain the best qualitative execution under the circumstances. As a result, the commissions and transaction fees charged by the broker-dealer may be higher or lower than those charged by other broker dealers.

### ***Incentives:***

RCO does not receive incentives from the broker-dealer directly related to client transactions. RCO may purchase portfolio management and securities analysis services from a vendor that has a relationship with our broker-dealer at a reduced price. These reduced prices are not related to any client transactions.

### ***Securities Transactions:***

RCO may aggregate multiple client orders for the purchase or sale of the same security into a single transaction. The allocations are typically calculated in advance to placing the order. If the trade is executed, each participating client account typically receives a price that represents the average of the aggregated transaction. Such aggregation may enable RCO to obtain for clients a more favorable price, achieve better execution or a better commission rate based upon the volume of a transaction. If the order is only partially filled, the securities purchased or sales proceeds are allocated to participating client accounts on a pro-rata basis. See Item. 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading, above for further explanation regarding allocation to employee and family member accounts.

### **Item 13. Review of Accounts**

RCO monitors the individual investments in clients' portfolios each day the market is open. Portfolio performance is reviewed on a quarterly basis at a minimum. In-person, client portfolio review meetings are conducted annually or more frequently, as requested. Market conditions, changes in the economic landscape, or other factors could cause a more frequent review of portfolios. Each Portfolio Manager has assigned accounts and is the investment advisor responsible for their account reviews.

Monthly statements are issued directly to clients by the custodian of their account; such reports reflect all transactions and market value of each security. RCO may produce additional reports with portfolio information at the client's request.

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

RCO does not receive cash or any economic benefit from a non-client in connection with giving advice to clients.

RCO does not directly or indirectly compensate any person for client referrals.

### **Item 15. Custody**

RCO does not have physical custody of client funds and/or securities. TD Ameritrade Institutional ("TDA") serves as RCO's qualified custodian and maintains client assets in separate accounts. Monthly statements are generated by TDA and are either mailed directly to clients or the client receives an email notice that statements are available to be viewed on TDA's secure website, [www.advisorclient.com](http://www.advisorclient.com). It is the client's choice as to how they receive statements. Clients should carefully review their monthly statements and report any errors or omissions to RCO at (513) 891-7144 and also to TDA (866) 523-6251 #2.

RCO may perform activities on behalf of clients where RCO may be deemed to have custody of clients' assets. Two examples of RCO having deemed custody are: (1) Some clients have signed standing letters of authorization that are on file with TDA allowing RCO to perform money transfers to third parties on the client's behalf; and (2) Clients have also authorized RCO to withdraw quarterly investment management fees directly from their accounts.

### **Item 16. Investment Discretion**

RCO accepts discretionary authority to manage security portfolios on behalf of clients. Before assuming this authority, the client is asked to execute RCO's Investment Advisory Agreement wherein the client grants RCO full discretionary authority to manage their account. Under this authority, RCO will supervise and direct, in its sole discretion, the investments in each client account without further consultation with the client. This authority is subject to limitations and restrictions that the client may request in writing.

### **Item 17. Voting Client Securities**

It is RCO's policy not to vote client securities. Clients will receive their proxies directly from the custodian via mail or email. If a client has questions regarding a proxy vote, they may contact RCO at (513) 891-7144.

### **Item 18. Financial Information**

RCO does not have any financial condition that is reasonably likely to impair our ability to meet contractual commitments to our clients.

### **Item 19. Requirements for State-Registered Advisers**

RCO is a federally registered investment adviser, so this Item does not apply.

# **Carter F. Randolph, Ph.D.**

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## **The Randolph Company, Inc.**

4200 Malsbary Road  
Cincinnati, Ohio 45242  
(513) 891-7144  
March 18, 2020

*This Brochure Supplement provides information about Carter F. Randolph, Ph.D., that supplements The Randolph Company Brochure. You should have received a copy of that Brochure. Please contact Sherry Wright (513) 891-7144 or [sherry@therandolphcompany.com](mailto:sherry@therandolphcompany.com) if you did not receive The Randolph Company's Brochure or if you have any questions about the contents of this Brochure Supplement.*

*Additional information about Carter F. Randolph, Ph.D., is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

### **Item 2. Educational Background and Business Experience**

Carter F. Randolph, Ph.D.

D.O.B.: 6/10/1956

BBA University of Cincinnati, 1978

MBA University of Cincinnati, 1979

Ph.D. University of Cincinnati, 1986

1986 to 1996, Investment Advisor, DBA Carter F. Randolph, Ph.D.

1989 to present, President, Greenacres Foundation, Inc.

1996 to present, President and Chief Compliance Officer, The Randolph Company, Inc.

1998 to present, Chairman, Planet Products Corporation

1992 to present, President, L&L Nippert Charitable Foundation, Inc.

2006 to present, Managing Member, CFRPHD, LLC

### **Item 3. Disciplinary Information**

Neither Carter F. Randolph, Ph.D., nor The Randolph Company has been involved in any disciplinary events.

### **Item 4. Other Business Activities**

Dr. Randolph provides administrative services to trusts and charitable foundations, and he owns a manufacturing company. He is President of the Greenacres Foundation and the L&L Nippert Charitable Foundation and serves on the Board of Directors for L.I.F.E. Foundation and Bold and Brave Kid's Foundation. Dr. Randolph also serves as a trustee of several trusts.

### **Item 5. Additional Compensation**

There is no other compensation or economic benefit from other sources.

### **Item 6. Supervision**

As the majority owner, President and Chief Compliance Officer of The Randolph Company, Carter F. Randolph, Ph.D., maintains ultimate responsibility for The Randolph Company's investment activities including investment decisions, operations and account reviews. Dr. Randolph oversees the activities of The Randolph Company's supervised persons in accordance with its Policies and Procedures Manual. Should any questions arise regarding any supervised person's supervision or compliance practices, Dr. Randolph or Sherry L. Wright, Compliance Officer who assists Dr. Randolph with the implementation of its Policies and Procedure Manual, should be contacted at (513) 891-7144.

## **Carter Louis Randolph (“Louie”)**

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### **The Randolph Company, Inc.**

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*This Brochure Supplement provides information about Carter Louis Randolph (“Louie”) that supplements The Randolph Company Brochure. You should have received a copy of that Brochure. Please contact Sherry Wright (513) 891-7144 or [sherry@therandolphcompany.com](mailto:sherry@therandolphcompany.com) if you did not receive The Randolph Company’s Brochure or if you have any questions about the contents of this Brochure Supplement.*

*Additional information about Carter Louis Randolph is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

### **Item 2. Educational Background and Business Experience**

Carter Louis Randolph (“Louie”)

D.O.B: 07/27/1988

Bachelors of Arts in Communication; University of Cincinnati, 2011

May 2011 to September 2011, Life Insurance Representative & Recruiter, Primerica Financial Services

September 2011 to July 2014, Retail Sales Representative, Verizon Wireless Corporation

July 2014 to November 2016, Solutions Manager, Verizon Wireless Corporation

November 2016 to Present, Client Relationship Manager, The Randolph Company

### **Item 3. Disciplinary Information**

Neither Carter Louis Randolph nor The Randolph Company has been involved in any disciplinary events.

### **Item 4. Other Business Activities**

Carter Louis Randolph serves on the Board of Directors of Starfire Council - Cincinnati.

### **Item 5. Additional Compensation**

There is no other compensation or economic benefit from other sources.

### **Item 6. Supervision**

As the majority owner, President and Chief Compliance Officer of The Randolph Company, Carter F. Randolph, Ph.D., maintains ultimate responsibility for The Randolph Company’s investment activities including investment decisions, operations and account reviews. Dr. Randolph oversees the activities of The Randolph Company’s supervised persons, including Carter Louis Randolph, in accordance with its Policies and Procedures Manual. Should any questions arise regarding any supervised person’s supervision or compliance practices, Dr. Randolph or Sherry L. Wright, Compliance Officer who assists Dr. Randolph with the implementation of its Policies and Procedure Manual, should be contacted at (513) 891-7144.

# Garrett R. Wayne

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## **The Randolph Company, Inc.**

4200 Malsbary Road  
Cincinnati, Ohio 45242  
(513) 891-7144

March 18, 2020

*This Brochure Supplement provides information about Garrett R. Wayne that supplements The Randolph Company Brochure. You should have received a copy of that Brochure. Please contact Sherry Wright (513) 891-7144 or [sherry@therandolphcompany.com](mailto:sherry@therandolphcompany.com) if you did not receive The Randolph Company's Brochure or if you have any questions about the contents of this Brochure Supplement.*

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

### **Item 2. Educational Background and Business Experience**

Garrett R. Wayne

D.O.B: 05/02/1989

Bachelor of Business Administration; Major: Finance, Minor: Entrepreneurship/New Ventures; University of Cincinnati, Carl H. Lindner College of Business, 2016.

Master of Science; Finance, Investment Management Track; University of Cincinnati, Carl H. Lindner College of Business, 2019.

Member of the University of Cincinnati, Carl H. Lindner College of Business, Team who competed in the 2019 Chartered Financial Analyst Research Challenge where the University of Cincinnati had its highest finish ever by outperforming over 1,000 universities from around the world in equity analysis.

January 2010 to January 2018, Special Project Manager, Wayne Buildings

June 2019 to Present, Portfolio Manager, The Randolph Company

### **Item 3. Disciplinary Information**

Neither Garrett R. Wayne nor The Randolph Company has been involved in any disciplinary events.

### **Item 4. Other Business Activities**

Garrett R. Wayne is a Board Member and Chair of the Finance Committee for the YMCA Branch in Blue Ash, Ohio. Garrett also serves on the American Heart Association Young Professionals Board as a Committee Member.

### **Item 5. Additional Compensation**

There is no other compensation or economic benefit from other sources.

### **Item 6. Supervision**

As the majority owner, President and Chief Compliance Officer of The Randolph Company, Carter F. Randolph, Ph.D., maintains ultimate responsibility for The Randolph Company's investment activities including investment decisions, operations and account reviews. Dr. Randolph oversees the activities of The Randolph Company's supervised persons, including Garrett R. Wayne, in accordance with its Policies and Procedures Manual. Should any questions arise regarding any supervised person's supervision or compliance practices, Dr. Randolph or Sherry L. Wright, Compliance Officer who assists Dr. Randolph with the implementation of its Policies and Procedure Manual, should be contacted at (513) 891-7144.