

## **Item 1. Cover Page**

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**4/24/2020**

## **FORM ADV PART 2 BROCHURE**

This brochure provides information about the qualifications and business practices of Benemark, Inc., (referred to here-in-after as Benemark or Advisor). If you have any questions about the contents of this brochure, please contact us at (203) 222-3575 or at [gpadilla@benemark.com](mailto:gpadilla@benemark.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 Benemark is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Benemark is CRD 126735.

Benemark is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## **Item 2. Summary of Material Changes**

**NONE**

### **Item 3. Table of Contents**

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## **Advisory Business**

Form ADV Part 2A, Item 4

- A. Benemark is an independent SEC Registered Investment Advisor located at 965 Post Road East in Westport CT 06880. Our business was incorporated on August 4, 1995. We have been registered as an Investment Advisor since 2003. Our two principal owners are Gregg G. Padilla, CFP® and Robert A. Medvey, CFP®. (referred to here-in-after as "Advisor" or "Principal Owner") Both share equally in the ownership of the business.
- B. Benemark offers two services to clients: Comprehensive Financial Planning and Investment Advisory Services.

Our Comprehensive Financial Planning service covers a detailed level of financial advice which encompasses six areas of financial planning: Budgeting/Cash Flow, Retirement Planning, Investment Planning, Estate Planning, Tax Planning (not tax preparation) and Risk Management (Life, Disability, Auto, Home, Excess Risk and Long-Term Care Insurance). As part of the Comprehensive Financial Planning service, our Advisors thoroughly review, analyze and provide advice throughout the planning process.

Our Investment Advisory service covers a detailed level of investment advice, which includes, but is not limited to: analysis of existing investments, assessment of risk tolerance, development of custom asset allocation model, investment related tax advice and ongoing monitoring of accounts.

Benemark provides investment advice on the following types of investments, and our advice is limited to the following investments: Exchange Traded Funds, Exchange Traded Notes, Mutual Funds, Exchange Listed Stocks, Bonds, Money Markets, Certificate of Deposits, Variable Annuities, Options on Securities, Real Estate and Oil and Gas partnerships, US Government Securities, Municipal Securities and Corporate Bonds.

- C. Our Comprehensive Financial Planning service is structured to fit the needs of each individual client. This service generally follows a six-step process. Step 1: we "Discover" the client's goals and objectives through a series of discussions between the Advisor and client. Step 2: we "assess" and outline the client's specific financial goals. Step 3: we "create" objectives in order to achieve the client's goals. Step 4: we "evaluate" all the available financial strategies that will positively impact the client's life. Step 5: we "implement" strategies designed to give clients the best possible chance of achieving their life goals. Step 6: we "monitor" the financial plan and make adjustments as needed.
- D. Our Investment Advisory Service is structured to provide a custom investment model for each client. Our analysis includes understanding the client's investment needs, objectives, risk tolerance, time horizon and the most appropriate investments which are best suited to meet their goals. The investment model we develop is intended to meet their short, mid and long-term financial goals. Clients always have a say as to what products or securities make up the investment model. However, the product or security must be one in which Advisor provides advice on, as referenced in Item 4B above.
- E. Benemark does not participate in any wrap fee programs.
- F. As of April 24, 2020, Benemark manages \$198,638,043 on a non-discretionary basis. We do not manage funds on a discretionary basis.

## ***Fees and Compensation***

Form ADV Part 2A, Item 5

Benemark is compensated for Advisory services in two ways:

1. Comprehensive Financial Planning - Advisor fee schedule is as follows: minimum annual fee is \$5,000 and is negotiable only above this amount. The annual fee charged by Advisor will depend, in part, on the level of services needed by the client and the overall complexity of their financial situation. The annual advisory fee will encompass all financial advice provided throughout the term of the agreement between Advisor and client. Clients are required to sign a Financial Planning Agreement which begins on the date the agreement is signed by the client and ends one year later, unless otherwise renewed, or earlier terminated by Advisor and/or client. Client, and or Advisor, may terminate the agreement by providing a 30-day written notice, as provided for in the advisory agreement.
2. Investment Advisory - Our annual fee is expressed as a percentage (or basis points) of the total investable dollars a client has invested with Advisor. (Example: 1% equals 100 basis points, .75 equals 75 basis points). Our minimum annual fee for accounts that contain less than \$1 million is 75 basis points, and is not negotiable. For accounts that contain greater than \$1 million, our fee is negotiable. Advisory fees for this type of service are deducted automatically from the client's investment accounts, quarterly in arrears. Client, and or Advisor, may terminate agreement by providing 30-day written notice as provided for in the advisory agreement.
  - A. Comprehensive Financial Planning – Advisor will deliver an invoice to the client as follows: after the financial plan is delivered to, and reviewed by the client with the Advisor, the annual fee shall be due and payable within 30 days upon receipt of the invoice.
  - B. Benemark utilizes three investment companies to custody client's money; National Financial Services, LLC and Fidelity Brokerage Services, LLC., (collectively, and together with all affiliates, "Fidelity"), SEI Investment Management Corp., ("SEI"), and Charles Schwab & Company., ("Schwab"). Clients are responsible for paying the full cost of the expense ratios associated with their investment in any mutual fund or exchange traded fund. Said fee is assessed directly by the investment company (e.g., Vanguard, iShares, Fidelity, etc.,). In addition, the client must pay the full cost of executing trades (e.g., commissions or regulatory fees). Commissions, fees and transaction costs are assessed by each investment custodian and the charges may be slightly different from one custodian to another. Each investment custodian has their own schedule of fees, which can change from time to time. Said fee schedules are available upon request by the client. Advisor receives no remuneration from any investment custodian as pertains to the cost associated with executing trades. All of the charges incurred by the client, as described here-in, are in addition to the investment advisory fee charged by Advisor.
  - C. Benemark does not charge clients in advance for Comprehensive Financial Planning or Investment Advisory services.

- D. 1. Benemark accepts compensation for the sale of SEI Investment Mutual Funds directly from SEI Investment Management Corp., for only a select number of clients who maintain trust accounts at SEI, in which Benemark is appointed as Advisor. Benemark and SEI have entered into an agreement that governs the terms on which Advisor is to perform certain services for SEI and the amount that SEI is obligated to pay Advisor for such services. Beyond this agreement, Advisor has no affiliation with SEI and may not represent or bind SEI. Under the agreement with Advisor, SEI will pay Advisor a percentage of the blended expense ratios of the mutual funds sponsored by SEI ("the SEI Funds") into which the client invests. Specifically, as of the close of the calendar year quarter, SEI will pay Advisor 0.10% (10 basis points) on the net assets invested by client into SEI Funds. Clients who are subject to the agreement are not responsible for any part of the compensation the Advisor will receive. SEI will not charge the client a higher investment management fee or additional amount as a result of SEI's obligation to pay Advisor for its services. Please note; clients who will be subject to this agreement will be notified as required under Rule 206-(4)-3 by signing a disclosure statement which outlines the agreement mentioned in this section. This arrangement presents a conflict of interest and could give the Advisor an incentive to recommend SEI Funds for trust accounts based on the added compensation that would be provided to Advisor.
2. Clients have the option to purchase any of the investment products that we recommend through any other broker or agent not affiliated with us. If they choose to do so, Advisor will not be involved in the implementation or servicing of the client's account in any way.
3. As of the date of this brochure the amount of revenue we receive from SEI as a result of selling their mutual funds amounts to less than 1% of our annual investment advisory revenue.
4. Benemark does not receive commissions, markups, markdowns or any other compensation in addition to the advisory fee described in item 5A, located on page 2 of this brochure.

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

Form ADV Part 2A, Item 6

Benemark does not accept any performance-based fees for any client accounts we manage.

### ***Types of Clients***

Form ADV Part 2A, Item 7

Benemark's clients are approximately 75% individuals and 25% trust accounts. We have a minimum investment account size of \$250,000 with no requirements for maintaining that amount once the account is established.

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

Form ADV Part 2A, Item 8

- A. Benemark utilizes both passive and active management strategies in the development of an asset allocation model. Typically, Advisor uses a combination of both strategies to develop a client's investment model. Advisor will develop a custom model for each client that is unique to their personal set of circumstances, goals and objectives. Investing in either model involves risk of loss that clients should be prepared to assume. A passive investment strategy is defined as "an investment strategy that does not include active buying and selling of securities". Investors who subscribe to using a passive investment strategy typically do so with the intention of seeking long-term appreciation and thus have limited portfolio turnover. Index fund investing, in which shares in the fund simply mirror an index, is a form of passive investing. An active management strategy is defined as "the use of a human element, such as a single manager, co-managers or a team of managers, to actively manage a fund's portfolio". Active managers rely on analytical research, forecasts, and their own judgment and experience in making investment decisions on which securities to buy, hold and sell.
- B. Passive and active management involve the risk of loss of principal. Each strategy provides the framework for the Advisor to develop an asset allocation model sufficient to meet the client's goals and objectives. Each strategy involves limited trading once the initial allocation model is implemented. Additional trading will be done based on rebalancing or a change in objectives as determined by both the Advisor and client.
- C. Passive and active management strategies contain exchange traded funds and mutual funds for which the Advisor uses in order to develop the investment model. In addition, in order to complete the investment model for the client, we may use any of the investment products mentioned in Item 4B, of this brochure. Each investment involves the risk of loss in principal and investments returns are not guaranteed.



### ***Disciplinary Information***

Form ADV Part 2A, Item 9

- A. There have been no civil or criminal actions in a domestic, foreign or military court of competent jurisdiction against Benemark, Inc., or any of its principal owners, Gregg G. Padilla or Robert A. Medvey.
- B. There have been no administrative proceedings before the SEC or any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which Benemark, Inc., or any of its principal owners, Gregg G. Padilla or Robert A. Medvey were subject to.
- C. There have been no proceedings by any self-regulatory organization (SRO) in which Benemark, Inc., or any of its principal owners, Gregg G. Padilla or Robert A. Medvey were subject to.
- D. Gregg Gerald Padilla and Robert Anthony Medvey were never part of ANY other proceeding in which a professional attainment, designation, or license of the supervised persons was revoked or suspended because of a violation of rules relating to professional conduct. Moreover, neither one of the principal owners has ever resigned (or otherwise relinquished his attainment, designation, or license) in anticipation of ANY proceeding.

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

Form ADV Part 2A, Item 10

- A. Benemark, nor any of its principal owners are registered, or have an application pending to register, as a broker-dealer, or a registered representative of a broker-dealer.
- B. Benemark, nor any of its principal owners are registered, or have an application pending to register as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.
- C. Benemark, nor any of its principal owners, have any relationship with the following entities or individuals listed directly below in items 1-10 that would create a material conflict of interest with clients:

- 1. A broker dealer, municipal securities dealer, or government securities dealer or broker.
- 2. Investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund).
- 3. Other investment adviser or financial planner.
- 4. Futures commission merchant, commodity pool operator, or commodity trading advisor.
- 5. Banking or thrift institution.
- 6. Accountant or accounting firm.
- 7. Lawyer or law firm.
- 8. Insurance company or agency.
- 9. Pension consultant.
- 10. Real estate broker or dealer.

Benemark does not select or recommend any other investment advisors for our clients.

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

Form ADV Part 2A, Item 11

- A. Ethical conduct is the hallmark of our profession. This is especially true in the financial services industry. Since investment advisors function as a fiduciary, they are subject to extensive regulation. However, the laws and regulations provide only the basis or foundation for proper conduct. Professional conduct is defined not only by reference to regulatory dictates, but rather by moral and ethical standards. Advisor has a duty of utmost good faith to act solely in the best interests of each of our clients. Our clients entrust us with their money, which in turn places a high standard on our conduct and integrity. Our fiduciary duty compels all employees to act with the utmost integrity in all of our dealings. Clients do business when they trust their Advisor. They trust their Advisor when they believe he/she is listening to their needs and takes this information at heart when making recommendations. Each employee of the Advisor must be convinced that his/her self-interest is best served by placing the customer's interests first and foremost. This is in the highest and best tradition of fiduciary conduct, a tradition which Benemark expects its principal owners and employees to uphold.
- B. Benemark will provide a copy of our code of ethics to any client or prospective client upon request.
- C. Benemark, along with its principal owners and employees do not recommend securities to clients nor also buy or sell securities where a material financial interest exists.
- D. Benemark, along with its principal owners and employees may from time to time buy the same securities that we recommend to clients, but they do not represent a material financial interest. Our practice is to make certain that we trade the securities in the best interest of the client. For example, if we are recommending that a client sell or buy a security where the advisor or its employees wish to engage in the same transaction, we make certain that the client purchases or sells the security first.

## **Brokerage Practices**

Form ADV Part 2A, Item 12

- A. Benemark has an arrangement with National Financial Services, LLC., and Fidelity Brokerage Services, LLC., (collectively, and together with all affiliates, "Fidelity") and Charles Schwab & Co., Inc., ("Schwab") through which Fidelity and Schwab provide Benemark with "institutional wealth platform services." The institutional wealth platform services include, among others, brokerage, custody, and other related services. Fidelity and Schwab's institutional wealth platform services assist Benemark in managing and administering clients' accounts and include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Fidelity and Schwab also offer other services intended to help Benemark manage and further develop its advisory practice. Such services include, but are not limited to, access to performance reporting, financial planning, contact management systems, third party research, publications, access to educational conferences, roundtables and webinars, practice management resources, access to consultants and other third-party service providers who provide a wide array of business related services and technology with whom Benemark may contract directly.

Benemark is independently owned and is not affiliated with either Fidelity or Schwab.

Fidelity and Schwab generally do not charge their advisor clients separately for custody services, but they are compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Fidelity or Schwab, or that settle into Fidelity or Schwab accounts (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity and Schwab provide access to many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges.

Benemark receives basic research data from Schwab and Fidelity that are made part of the regular trading platform used to facilitate client transactions. No other products or services other than execution from a broker-dealer or third party in connection with client securities transactions are provided to Advisor.

Benemark may receive certain services that benefit our business in general, rather than benefit specific clients. As part of our relationship with Fidelity, they have paid in the past, and may in the future, a portion of the cost for client appreciation events, or educational seminars. These benefits may present a conflict of interest to Benemark and may provide an incentive for Advisor to recommend clients custody their assets with Fidelity, as opposed to other custodians that do not provide such benefits.

Benemark does not have any control over the cost of commissions, markups, markdowns or fees charged for executing securities by any investment custodians.

Benemark does not receive any soft dollar benefits of any kind.

Benemark did not receive any brokerage commissions, markups, or markdowns within our last fiscal year or as of the date of this brochure.

Benemark did not direct client transactions to any broker-dealer and we received no soft dollar benefits.

Benemark does not receive any client referrals from any broker-dealer or investment custodian or other third party.

Benemark does not receive any client referrals or remuneration of any kind from a broker-dealer or third party for any recommendation or selection of a broker-dealer.

Benemark did not direct client transactions to any broker-dealer, nor did we receive any soft dollar benefit.

- a. Advisor requires that clients execute their securities transactions through the broker-dealer / investment custodian selected to open their account. Not all advisors require their clients to direct brokerage. Transactions must be executed at one of the three broker-dealer / investment custodians that Advisor presently has a relationship with (Fidelity, Schwab or SEI). In order for Advisor to execute securities transactions, the clients account(s) must be located at one of the three available broker dealer/investment custodians, and the client must appoint the Advisor as such, in order to execute any transactions. Advisor will not offer, or assist the client in any way, with the transaction at a broker-dealer or investment custodian other than one of the three custodians presently used by Advisor. If a client wishes to transact securities at a broker-dealer/investment custodian of their own choosing, they must transfer their full account to said broker-dealer/investment custodian and the client will be fully responsible for executing such transactions. Advisor will have no responsibility in executing or advising on such transactions that are outside of the broker-dealer/investment custodians presently used by Advisor.
- b. Our clients have directed brokerage arrangements subject to the most favorable execution of client transactions.

Advisor will attempt to make block trades for client accounts whenever practical at times when buying or selling the same security across multiple client accounts. Doing so should ensure a more favorable execution of price and fairness of execution for each client, so that no client receives a better or worse price upon execution.

## **Review of Accounts**

Form ADV Part 2A, Item 13

- A. The principal owners and advisors of Benemark, Inc., Gregg G. Padilla, CFP®, and Robert A. Medvey, CFP® are assigned to client accounts and they may both be responsible for periodically reviewing all investment accounts. Routine reviews may scan accounts for errors, cash balances, activity, and for general rebalancing purposes. Quarterly reviews are provided to all Investment Advisory clients where advisor and client review the investment allocation and discuss any other areas of importance as relates to their investments. Advisor may rebalance the client's portfolio in order to compensate for any style drift or variance from the target model established. In addition, Advisor and client will reaffirm the client's goals and objectives. Clients who have a Comprehensive Financial Planning agreement will receive a review no less frequently than once a year. The review will consist of, but not limited to: a revised retirement projection, updated cash flow analysis, review of insurance needs or a general overall financial checkup. All Comprehensive Financial Planning agreements are limited to a term of one fiscal year. Approximately one month before the agreement is set to expire, the client will receive a notice for renewal.
- B. Advisor may choose to review an account or financial plan as a result of the client's change in circumstances. Examples are: termination from employment, divorce, separation, early retirement, medical reasons, etc.
- C. Clients receive monthly investment statements that are prepared and delivered by each qualified investment custodian that the Advisor utilizes. In addition, Advisor has subscribed to the use of Black Diamond's portfolio management and reporting software. Black Diamond is not affiliated with Advisor in any way. It is possible that the information contained in any of the reports from Black Diamond's platform may be different from the information contained on the investment statement that is generated by the qualified investment custodian where the client's account(s) are held. In such a situation, clients should rely on the investment statement from the qualified investment custodian as the most accurate record of their investment account. Performance reports attempt to display performance net of any advisory fees. Clients who maintain an account at Fidelity or Schwab will receive a quarterly performance report from the Advisor no later than the first month after the close of a calendar year quarter (example: reports for the 1<sup>st</sup> quarter are delivered by the end of April). For clients who maintain an account at SEI, quarterly reports are prepared and distributed directly by SEI during the 1<sup>st</sup> month after the close of a calendar year quarter. In all instances, clients can choose to receive statements, and any quarterly performance reports, via mail or electronic delivery (so long as the appropriate written authorization is made by the client to the Advisor).

### ***Client Referrals and Other Compensation***

Form ADV Part 2A, Item 14

- A. Benemark, Inc., receives no economic benefit from any source other than the clients we serve and have agreements with. Our clients account for 90% of our referrals to new clients. 10% of our referrals come from CPA's, attorneys and other financial planner/investment brokers/advisors. We do not compensate any of these individuals or entities for the referrals received in any way.
- B. Benemark does not directly or indirectly compensate any individual or entity for client referrals.

## ***Custody***

Form ADV Part 2A, Item 15

Benemark does not have custody of client's funds or securities except for the purposes of having authorization to deduct advisory fees from client's investment accounts held at Fidelity or Schwab. SEI Investments automatically deducts Advisory fees from client's accounts. Advisor has no custody as relates to any SEI accounts. All clients receive monthly statements directly from the three custodians Advisor utilizes; SEI, Fidelity and Schwab. Clients should carefully review those statements. Clients who maintain accounts at Fidelity or Schwab will receive quarterly performance reports either electronically, or via mail. It is highly recommended that clients compare the account statements received from the qualified investment custodian with those they receive from Advisor. In all cases, the statement received from the qualified investment custodian will be considered as being the most accurate for financial reporting purposes.



***Investment Discretion***

Form ADV Part 2A, Item 16

Benemark does not accept discretionary authority to manage securities accounts on behalf of clients.

### ***Voting Client Securities***

Form ADV Part 2A, Item 17

- A. Benemark and its principal owners do not have, nor do we accept the authority to vote clients securities. Clients may request a copy of our proxy voting policy and procedures upon request.
- B. Clients will receive their proxies or other solicitations directly from the custodian or a transfer agent. Clients will be responsible to vote securities themselves, should they so desire to do so. Clients may contact us by phone or email with questions on voting proxies or any other investment issues.

### ***Financial Information***

Form ADV Part 2A, Item 18

- A. Benemark does not require or solicit prepayment of more than \$1,200 in fees per client and we do not require prepayment of six months or more in advance.
- B. Benemark does not have discretionary authority or custody of client funds or securities and Benemark does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.
- C. Neither Benemark, nor any of its principal owners has ever been the subject of a bankruptcy petition at any time.