



**Part 2A of Form ADV: Firm *Brochure***

Item 1 Cover Page

Fiduciary Counselors Inc.  
700 12<sup>th</sup> Street, NW  
Suite 700  
Washington, DC 20005

Phone: 202-558-5130

Fax: 202-558-5140

Website: [www.fiduciarycounselors.com](http://www.fiduciarycounselors.com)

March 31, 2020

**This brochure provides information about the qualifications and business practices of Fiduciary Counselors Inc. ("Fiduciary Counselors" or the "Company"). If you have any questions about the contents of this brochure, please contact us at 202-558-5130. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.**

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

## **Item 2          Material Changes**

---

Subsequent to December 31, 2019 and prior to the filing of this annual update, there has been a material change in the Company's Investment Committee.

Stephen Caflisch, Senior Vice President and General Counsel, replaced Laura Rosenberg, who passed away on July 23, 2019, as a member of the Company's Investment Committee, effective August 5, 2019.

This section is intended to discuss only material changes since the last annual update to the Company's brochure dated March 29, 2019.

### Item 3 Table of Contents

---

Item 1	Cover Page.....	1
Item 2	Material Changes .....	2
Item 3	Table of Contents.....	3
Item 4	Advisory Business .....	4
Item 5	Fees and Compensation .....	5
Item 6	Performance-Based Fees and Side-By-Side Management .....	6
Item 7	Types of Clients .....	7
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss .....	8
Item 9	Disciplinary Information.....	9
Item 10	Other Financial Industry Activities and Affiliations .....	10
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	11
Item 12	Brokerage Practices.....	12
Item 13	Review of Accounts.....	13
Item 14	Client Referrals and Other Compensation .....	14
Item 15	Custody.....	15
Item 16	Investment Discretion .....	16
Item 17	Voting Client Securities.....	17
Item 18	Financial Information .....	18
Item 19	Requirements for State-Registered Advisers .....	19
	Balance Sheet.....	20
	Part 2B of Form ADV: <i>Brochure Supplement</i> .....	A-1
	Part 2B of Form ADV: <i>Brochure Supplement</i> .....	B-1
	Part 2B of Form ADV: <i>Brochure Supplement</i> .....	C-1

## Item 4      Advisory Business

---

Fiduciary Counselors is a privately-held pension consultant firm that primarily acts as independent fiduciary for pension funds managing specific assets or funds under the Employee Retirement Income Security Act of 1974 ("ERISA"). These assets or funds include publicly-traded securities (including employer-issued securities), non-publicly traded securities, and real estate. The Company advises plan fiduciaries and employers with respect to fiduciary requirements both generally and with respect to various types of investments, some of which are securities and some of which are other assets such as real estate. The Company acts as independent fiduciary with respect to the selection of an insurance carrier(s) and contract in annuity transactions, litigation settlements and in reviewing investment managers and processes. The Company also provides more general pension and employee benefits consulting and administration, often in connection with corporate transactions and bankruptcy.

Prior to its incorporation in 1999 in Delaware, Fiduciary Counselors operated as a business unit within Actuarial Sciences Associates ("ASA," now Aon Consulting of New Jersey, Inc.). ASA commenced operations in 1985 as a wholly owned subsidiary of AT&T Inc. providing benefit consulting services to AT&T Inc. and other large clients, including advice on fiduciary issues. In July 2003, Fiduciary Counselors was purchased in a management-led buyout and is now an independent entity. The Company is wholly owned by its senior executives and former employees.

As of December 31, 2019, Fiduciary Counselors managed over \$18.8 billion in client assets on a discretionary basis. For those assets, we have full discretion in determining whether to hold or sell assets under our management without client input or other client imposed limitations. As of December 31, 2019, the Company also had non-discretionary assets under management of over \$500 million.

## **Item 5            Fees and Compensation**

---

Fees are typically charged on the basis of the estimated time involved and complexity of each case (a flat fee), or on the basis of time and expense (an hourly charge). The Company does not employ a standard fee schedule for all clients. Fees are negotiable and are agreed upon in an investment advisory contract or a fee agreement prior to the performance of any service. Each contract or agreement usually sets forth, among other things, the services to be provided, the fee, the length of the contract period, and how the contract may be terminated. Generally, our fees are not deducted from the assets under management; instead, clients are separately invoiced, usually in advance, for fees charged. In most instances, fees are non-refundable unless the contract is terminated for cause, in which case the fees are refunded to clients on a pro rata basis based on the length of the contract period and the date of termination.

The Company's fees are exclusive of any brokerage commissions, transaction fees or other related costs and expenses that may be incurred by the client.

## **Item 6          Performance-Based Fees and Side-By-Side Management**

---

This Item is not applicable to Fiduciary Counselors.

## **Item 7            Types of Clients**

---

Fiduciary Counselors, acting as an independent fiduciary, generally provides investment advice in the context of employee benefit plans covered under ERISA. These plans are usually sponsored by a corporation holding employer-issued stock ("company stock") in separately maintained accounts or funds within the plans. Clients include pension and profit-sharing plans, the corporations sponsoring such plans, banks, trusts, union sponsored plans, and voluntary employees' beneficiary associations.

There are no minimum requirements for engaging Fiduciary Counselors except the client's agreement to execute our investment advisory contract or fee agreement, which provides for the scope of services to be provided, the terms of our engagement, and the associated hourly or flat fees.

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

---

Our assets under management consist primarily of company stock held in employer-sponsored benefit plans. As independent fiduciary of a company stock fund in an ERISA plan, Fiduciary Counselors is typically appointed as a named fiduciary and investment manager with respect to the company stock fund. Fiduciary Counselors' responsibilities may include:

- Monitoring the employer's financial condition to determine whether participants should be permitted to make new investments in company stock;
- Determining whether holding company stock in the plan is no longer consistent with ERISA and, if not, determining how to liquidate the plan's holdings in company stock;
- Ensuring compliance with respect to the confidentiality requirements under section 404(c) of ERISA; and
- Proxy voting for unallocated shares and shares for which no participant direction is received.

In performing our services as an independent fiduciary, we act in accordance with the terms of each plan, including each plan's provisions relating to investment in company stock, unless doing so would be inconsistent with Title I of ERISA.

We view 401(k) plans as long-term investment vehicles and believe that plan provisions requiring company stock as an investment option should be followed, absent special circumstances that would make following the plan provisions inconsistent with ERISA. We monitor the financial position of the company by reviewing its periodic and other filings with the SEC, reviewing credit rating reports from Moody's and S&P, reviewing key analyst reports on the company, participating in company calls with analysts, and monitoring significant business developments and litigation. When credit ratings for unsecured debt are not available, we develop objective metrics to determine creditworthiness based on publicly reported financial information.

Our Investment Committee meets weekly to review developments with respect to each company whose stock we monitor. In the weekly Investment Committee meeting, each portfolio manager provides the Investment Committee with a briefing as to what transpired with respect to the subject company over the past week. This includes a review of changes in debt ratings, significant news stories, buy/sell analyst recommendations, regulatory developments, and financial reporting. Ad hoc meetings are arranged as necessary during the week to review situations that require prompt attention.

Investments in a company stock fund, where the return is dependent on the performance of one stock, are considered more risky than investments in a broadly diversified portfolio. Factors used in determining whether to continue to maintain or sell company stock are:

- Plan provisions requiring company stock as an investment option;
- Financial condition of the company;
- Credit ratings or credit metrics;
- Whether the stock is traded on a major market, trading volume and analyst coverage;
- Indications that because of special circumstances, the market is not accurately valuing the stock;
- Availability of timely, reliable company financial information; and
- Likelihood of bankruptcy.

For those engagements which involve the selection and/or review of investment managers, our analysis and monitoring includes the investment process, the investment organization and resources dedicated to the investment product, investment performance and risk of the portfolio over the longer-term, and changes in organization and/or investment management process.

Investing in securities involves a risk of loss that clients should be prepared to bear.



## **Item 9      Disciplinary Information**

---

This Item is not applicable to Fiduciary Counselors.

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

---

This Item is not applicable to Fiduciary Counselors.

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

---

The Company's Code of Ethics is based on the principle that all employees of the Company have a fiduciary duty to place the interest of clients ahead of their own and the Company's. This Code of Ethics applies to all employees. Employees must avoid activities, interests, and relationships that might interfere with making decisions in the best interests of the Company's clients. All employees must at all times:

**1. Place the interests of clients first.** All employees must scrupulously avoid serving their own personal interests ahead of the interests of the Company's clients. Employees may not induce or cause a client to take action, or not to take action, for personal benefit, rather than for the benefit of the client. For example, a supervisor or employee would violate the policy by causing a client to purchase a security he or she owned for the purpose of increasing the price of that security.

**2. Avoid taking inappropriate advantage of their position.** The receipt of investment opportunities, perquisites or gifts from persons seeking business with the Company or its clients, could call into question the exercise of the independent judgment of any employee or the Company. Employees may not, for example, use their knowledge of portfolio transactions to profit by the market effect of such transactions.

**3. Conduct all personal securities transactions in full compliance with the Code.** Employees may not engage in personal transactions based on material non-public information. Employees may not acquire or sell any client securities without approval of the Chief Compliance Officer. Any acquisition of securities in a private placement or initial public offering must be approved in advance by the Chief Compliance Officer. Doubtful situations always should be resolved in favor of clients. Technical compliance with the Code's provisions shall not automatically insulate from scrutiny any securities transactions or actions that indicate a violation of the Company's fiduciary duties.

**4. Maintain client confidentiality.** Employees are prohibited from revealing information relating to the investment intentions, activities or portfolios of clients except to persons whose responsibilities require knowledge of the information. Client records and financial information must be treated with strict confidentiality. Under no circumstances should any such information be disclosed to any third party that has not been granted a legal right from the client to receive such information.

The Chief Compliance Officer is Kathryn Ricard, a Senior Vice President at the Company.

A copy of the Company's Code of Ethics will be provided to any client or prospective client upon request by contacting Kathryn Ricard at 202-558-5128.

## **Item 12      Brokerage Practices**

---

Given the nature of our engagements, we generally have little trading activity in the accounts we manage. When we do sell securities, we generally use the brokers and process utilized by the benefit plan's trustee holding the assets that the Company is managing, subject to our confirming that they can obtain best price and execution. The trustee generally has a process in place for the efficient execution of trades for the company stock fund's ongoing transactional requirements.

The Company does not engage in soft dollar transactions and does not receive any products, research, or services other than execution as a result of our trades for the accounts it manages.

The Company does not receive client referrals from a broker-dealer or third party in selecting or recommending broker-dealers.

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

---

The Company acts as an independent fiduciary for ERISA plans. This usually involves reviewing one-time transactions, managing securities that are not publicly traded, such as a real estate limited partnership, or managing company stock in pension plans. The frequency and substance of reviews vary depending on the nature and duration of the assignment. One or more members of the Investment Committee generally conduct the reviews. As mentioned in Item 8, the Company's Investment Committee meets weekly to discuss client activity.

The frequency, nature, and content of reporting to clients is negotiated on a client by client basis and varies depending on the nature of the engagement. In some instances and at the client's request, written reports are issued under the terms of the engagement, particularly engagements involving a one-time review of a transaction. Assets usually are held by third-party trustees who report to clients on holdings at least annually and often more frequently.

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

---

This Item is not applicable to Fiduciary Counselors.

## **Item 15      Custody**

---

This Item is not applicable to Fiduciary Counselors.

## **Item 16      Investment Discretion**

---

The Company accepts discretionary authority to manage securities accounts on behalf of clients. This authority is usually limited to the shares of company stock held in benefit plans. In connection with our appointment as an independent fiduciary, the plan or trust documents at issue are amended to reflect the authority granted to Fiduciary Counselors.



## **Item 17      Voting Client Securities**

---

Fiduciary Counselors does accept authority to vote client securities for shares of company stock held in benefit plans. This voting often involves shares for which no participant direction is received by the plan trustee of a defined contribution benefit plan. Additionally, clients will engage the Company for the exclusive purpose of voting proxies with respect to certain shares.

Fiduciary Counselors seeks to vote proxies in a manner that enhances long-term value for shareholders and promotes effective corporate governance practices. In determining how to vote proxies, we recognize both the rights of shareholders and the need for the board and management to be able to direct efficiently and effectively the corporation's activities.

We have full discretion in voting proxies and do not accept direction on how to vote proxies from the company retaining us or sponsoring the benefit plans.

Clients may obtain a copy of our proxy voting policies and procedures as well as information on how we voted a particular security by contacting Kathryn Ricard at 202-558-5128.

## **Item 18      Financial Information**

---

Immediately following Item 19 is the balance sheet for our most recent fiscal year, 2019. The Company is not currently aware of any financial condition that would be reasonably likely to impair its ability to meet its contractual commitments to clients. The Company has not been the subject of a bankruptcy proceeding.

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

---

This Item is not applicable to Fiduciary Counselors.

## BALANCE SHEET

Fiduciary Counselors Inc.

December 31, 2019

### ASSETS

#### Current assets

Cash	\$ 1,465,708
Accounts receivable	531,098
Prepaid expenses	112,774
Deferred income tax benefit	9,993
Total current assets	<u>2,119,572</u>

#### Property and equipment

Office equipment and furnishings	<u>28,997</u>
net of accumulated depreciation of \$20,912	

#### Other assets

Security deposit	5,590
Goodwill	614,450
Total other assets	<u>620,040</u>

Total assets	<u><u>\$ 2,768,610</u></u>
--------------	----------------------------

### LIABILITIES

#### Current liabilities

Accounts payable and accrued expenses	\$ 1,294,869
Profit sharing payable	169,266
Client retainers and escrows	18,402
Deferred revenue	96,484
Total current liabilities	<u>1,579,022</u>

Total liabilities	<u>1,579,022</u>
-------------------	------------------

### STOCKHOLDERS' EQUITY

Common stock, par value .01 per share, 2000 shares authorized with 45 shares issued and outstanding	-
Treasury Stock	(275,000)
Retained earnings	<u>1,464,589</u>

Total stockholders' equity	<u>1,189,589</u>
----------------------------	------------------

Total liabilities and stockholders' equity	<u><u>\$ 2,768,610</u></u>
--	----------------------------

\*Audited Balance Sheet as of 12-31-19 was Not Available as of 3-31-20



**Part 2B of Form ADV: *Brochure Supplement***

**Item 1 Cover Page**

Scott Gould  
Fiduciary Counselors Inc.  
700 12<sup>th</sup> Street, NW  
Suite 700  
Washington, DC 20005

Fiduciary Counselors Inc.  
700 12<sup>th</sup> Street, NW  
Suite 700  
Washington, DC 20005  
Phone: 202-558-5130

March 31, 2020

**This brochure supplement provides information about Scott Gould that supplements Fiduciary Counselors Inc.'s brochure. You should have received a copy of that brochure. Please contact Kathryn Ricard, Senior Vice President and Chief Compliance Officer, if you did not receive Fiduciary Counselors Inc.'s brochure or if you have any questions about the contents of this supplement.**

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

---

**Name:** Scott Gould

**Date of Birth:** 8/19/1964

**Education:**

- University of Michigan, BSE in Computer Engineering
- University of Chicago, MBA

**Business Background:**

- Fiduciary Counselors Inc. – Senior Vice President, November 2018 – Present
- MetLife, Inc. – Vice President, 2000 – 2018
- Divine Interventures, Inc. – Managing Director 1999 – 2000
- GE Capital Equity Capital Group – Vice President 1997 – 1999

### **Item 3            Disciplinary Information**

---

There have been no legal or disciplinary events that are material to a client's or prospective client's evaluation of Scott Gould.

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

---

This Item is not applicable to Scott Gould.



## **Item 5          Additional Compensation**

---

This Item is not applicable to Scott Gould.

## **Item 6            Supervision**

---

All investment advisory decisions are made by the Company's Investment Committee, comprised of Stephen Caflisch, Scott Gould, and Thomas O'Connor. For purposes of supervision, Investment Committee meetings are conducted on a weekly basis, with recorded minutes and participation by the Company's General Counsel. Client decisions are not made by individual members of the Investment Committee, but rather by majority vote.

The person responsible for supervising the advisory activities of Scott Gould is Kathryn Ricard, Senior Vice President and Chief Compliance Officer of the Company. Ms. Ricard may be reached at 202-558-5128.

## **Item 7            Requirements for State-Registered Advisers**

---

This Item is not applicable to Scott Gould.



Part 2B of Form ADV: *Brochure Supplement*

**Item 1 Cover Page**

Stephen Caflisch  
Fiduciary Counselors Inc.  
700 12<sup>th</sup> Street, NW  
Suite 700  
Washington, DC 20005  
Phone: 202-558-5149

Fiduciary Counselors Inc.  
700 12<sup>th</sup> Street, NW  
Suite 700  
Washington, DC 20005  
Phone: 202-558-5130

March 31, 2020

**This brochure supplement provides information about Stephen Caflisch that supplements Fiduciary Counselors Inc.'s brochure. You should have received a copy of that brochure. Please contact Kathryn Ricard, Senior Vice President and Chief Compliance Officer, if you did not receive Fiduciary Counselors Inc.'s brochure or if you have any questions about the contents of this supplement.**

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

---

**Name:** Stephen Caflisch

**Date of Birth:** 7/12/1950

### **Education:**

- Harvard University – BA (Government)
- Georgetown University Law Center (JD)

### **Business Background:**

- Fiduciary Counselors Inc. – Senior Vice President & General Counsel, January 2014 – Present; Senior Vice President & Deputy General Counsel, October 2005 – January 2014
- Price Waterhouse Employee Benefits Services Group – Outside Consultant, 1992 – 1996; Senior Manager, 1987 – 1992; Manager, 1986-1987
- Pension Benefit Guaranty Corporation – Special Counsel, 1981- 1986
- Reed Smith Shaw & McClay – Associate, 1975 - 1981

### **Item 3            Disciplinary Information**

---

There have been no legal or disciplinary events that are material to a client's or prospective client's evaluation of Stephen Caflisch.

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

---

This Item is not applicable to Stephen Caflisch.

## **Item 5          Additional Compensation**

---

This Item is not applicable to Stephen Caflisch.



## **Item 6            Supervision**

---

All investment advisory decisions are made by the Company's Investment Committee, comprised of Stephen Caflisch, Scott Gould, and Thomas O'Connor. For purposes of supervision, Investment Committee meetings are conducted on a weekly basis, with recorded minutes and participation by the Company's General Counsel. Client decisions are not made by individual members of the Investment Committee, but rather by majority vote.

The person responsible for supervising the advisory activities of Stephen Caflisch is Kathryn Ricard, Senior Vice President and Chief Compliance Officer of the Company. Ms. Ricard may be reached at 202-558-5128.

## **Item 7            Requirements for State-Registered Advisers**

---

This Item is not applicable to Stephen Caflisch.



**Part 2B of Form ADV: *Brochure Supplement***

**Item 1 Cover Page**

Thomas O'Connor  
Fiduciary Counselors Inc.  
700 12<sup>th</sup> Street, NW  
Suite 700  
Washington, DC 20005  
Phone: 202-558-5145

Fiduciary Counselors Inc.  
700 12<sup>th</sup> Street, NW  
Suite 700  
Washington, DC 20005  
Phone: 202-558-5130

March 31, 2020

**This brochure supplement provides information about Thomas O'Connor that supplements Fiduciary Counselors Inc.'s brochure. You should have received a copy of that brochure. Please contact Kathryn Ricard, Senior Vice President and Chief Compliance Officer, if you did not receive Fiduciary Counselors Inc.'s brochure or if you have any questions about the contents of this supplement.**

## Item 2 Educational Background and Business Experience

---

**Name:** Thomas O'Connor, Esq., CPA,\* LL.M.

**Date of Birth:** 3/4/1982

### **Education:**

- Georgetown University - BSBA (Accounting)
- George Mason University School of Law – JD
- Georgetown University Law Center – LL.M. (Taxation)
- Certified Public Accountant

### **Business Background:**

- Fiduciary Counselors Inc. – President & Chief Executive Officer, January 2018 – Present; President & Chief Financial Officer, March 2017 – December 2017; Senior Vice President & Chief Financial Officer, 2016 - March 2017; Controller, 2007 – 2015
- The Fernandez Group – Accountant, 2002 - Present
- Trusted Edge, Inc. – Controller, 2004 - 2007

\*To become a Certified Public Accountant (CPA), an individual must meet certain requirements, which are set by each state board of accountancy, and, among other things, include: completing a program of study in accounting at a college or university, passing the Uniform CPA Exam, and obtaining a specific amount of professional work experience in public accounting (the required amount and type of experience varies according to licensing jurisdiction). Mr. O'Connor is licensed in Virginia.

### **Item 3            Disciplinary Information**

---

There have been no legal or disciplinary events that are material to a client's or prospective client's evaluation of Thomas O'Connor.

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

---

Thomas O'Connor receives compensation from The Fernandez Group, a small family office in Washington, DC, by providing miscellaneous accounting and legal services, but not investment advisory services. Mr. O'Connor's involvement with The Fernandez Group does not create any conflicts of interest.

## **Item 5          Additional Compensation**

---

This Item is not applicable to Thomas O'Connor. See Item 4 above.

## **Item 6            Supervision**

---

All investment advisory decisions are made by the Company's Investment Committee, comprised of Stephen Caflisch, Scott Gould, and Thomas O'Connor. For purposes of supervision, Investment Committee meetings are conducted on a weekly basis, with recorded minutes and participation by the Company's General Counsel. Client decisions are not made by individual members of the Investment Committee, but rather by majority vote.

The person responsible for supervising the advisory activities of Thomas O'Connor is Kathryn Ricard, Senior Vice President and Chief Compliance Officer. Ms. Ricard may be reached at 202-558-5128.



## **Item 7            Requirements for State-Registered Advisers**

---

This Item is not applicable to Thomas O'Connor.