

# NORTHEAST ADVISERS, INC.

## *INVESTMENT COUNSEL*



*“The Right Direction”*

### Form ADV Part 2A Disclosure Brochure

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**Disclaimer:**

This brochure provides information about the qualifications and business practices of Northeast Advisers, Inc. If you have any questions about the contents of this brochure, please contact us at the number or email listed above. 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. Northeast Advisers, Inc. is a Registered Investment Advisor. Registration does not imply a certain level of skill or training.

Additional information about Northeast Advisers, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Free and simple tools are available to you to review Northeast Advisers, Inc. and its financial professionals at [Investor.gov/CRS](http://Investor.gov/CRS), which also provides free educational materials about broker-dealers, investment advisers, and investing.

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## 2. Material Changes

This is to inform our current and prospective clients of Northeast Advisers, Inc.'s ("NAI") policies, practices or any potential conflicts of interest. The content of this brochure is intended to be a *summary* only. It may or may not contain all the information that may be important to you. We encourage you to contact us with any questions about this brochure.

Northeast Advisers, Inc.'s last update of our firm's ADV was in March of 2019. In this brochure for March of 2020 the following material changes are reflected:

- NAI amended Items 10 and part 2B to clarify NAI's change in business practice regarding solicitors. During 2019, NAI replaced all existing business entity's solicitor agreements with natural person solicitor agreements.
- Other enhancements were made to strategy and risk descriptions in Item 8, to our Code of Ethics description in Item 11, and to brokerage practices in Item 12.

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

Northeast Advisers, Inc. ("NAI") is an independent Registered Investment Adviser (RIA) based in Paoli, Pennsylvania providing investment advisory and financial planning services. Michael Devine owns 80% of the Firm. Rebecca Cummings and Eric Bleiler each own 10%. NAI has been in existence since June 2000.

Our goal is simple—to help you achieve yours. As an independent firm, we strive to represent our clients' best interests. This independence allows us to employ the very same processes used by many of the nation's largest asset pools and take a best of breed approach to investment and administrative services. Our compensation structure allows that our interests are aligned with our clients'. We are able to leverage experience and relationships and seek to deliver a "highly functioning" investment program. We define highly functioning as striving to have fully disclosed, low cost and transparent investment solutions with key elements such as plan design, plan administration and low-cost investments.

We develop investment strategies designed to meet our clients' goals. Investment strategies are implemented seeking a "best of breed" approach and our client portfolios typically include select no-load mutual funds. We also use exchange traded funds and individual securities, when appropriate.

This means we believe that we are totally objective and are free to make unbiased recommendations. In all cases, costs are taken into consideration along with performance, management and suitability.

Careful portfolio structure and emphasis on understanding our clients' objectives distinguishes NAI. We employ a disciplined process that many sophisticated institutional investors have followed for decades managing their investments. This includes the development of a written Statement of Investment Policy.

Each client's plan is designed based on a detailed understanding of their objectives. Additionally, we work closely with our clients' other advisors or may recommend specialists as appropriate.

NAI uses third-party service providers to perform certain services, as applicable for a client's account. We use Orion Advisor Services (Orion) for performance reporting and billing. Clients are able to directly view their accounts through the Orion portal as well as through the custodian's portal.

In providing our services, we acknowledge that we are a fiduciary and charged with acting in our clients' best interests. We help retirement plan sponsors and other trustees manage fiduciary responsibility, minimize costs, maximize plan design and monitor performance.

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We design investment menus and communications about the investment choices for retirement plan participants. We stay involved and encourage participants to call anytime with investment questions.

Our independent Registered Investment Advisory services are designed to strive to keep your portfolio moving in the right direction.

NAI has \$467,647,196 client assets under advisement at the end of the 4<sup>th</sup> Quarter 2019. These services are provided on a non-discretionary basis.

NAI also does business as Zinn Advisers for clients referred through Zinn Insurance, LLC. NAI has a marketing agreement with Zinn Insurance, LLC and uses this D/B/A only for purposes of cooperative marketing of NAI services with Zinn Insurance, LLC. Other business conducted by Zinn Insurance, LLC is not NAI advisory business. NAI also has independent contractors (per the SEC's definition of Employees) that serve as supervised persons of NAI. The independent contractors are employed variously by Mid America Group Northeast, Inc., Trustmont Advisory Services/Trustmont Financial Group, and Eric J. Bleiler, CPA & Co., LLC. Please see Item 14 and Form ADV Part 2B Brochure Supplement for additional details.

## **5. Fees and Compensation**

Northeast Advisers, Inc. provides fee-only investment advisory consulting services utilizing a four-step investment advisory process:

1. Analyze Current Portfolio
2. Design Investment Policy Statement (IPS)
3. Implement Investment Strategy
4. Monitor and Supervise Portfolio

As stated in our firm's Advisory Services Agreement, NAI will accept no commission or undisclosed remuneration. In consideration of the services to be performed, NAI shall be paid quarterly, in arrears, an amount based on the total market value of the account assets as of the last day of the previous calendar quarter on an annual percentage rate. This fee may be negotiable depending on the characteristics and particular circumstance of the client. Fees may be reduced or waived entirely for NAI associates, employees, family, directors and securities holders, or others as deemed appropriate by NAI. Services begin with the effective date of the Agreement. Fees for the initial quarter will be adjusted pro rata based upon the number of calendar days in the calendar quarter that the Agreement is effective. Fees will also be pro-rated for the portion of a quarter in which an account is terminated. The client has the right to terminate at any time by submission of written notice to the Adviser and the custodian.

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NAI fees are typically deducted directly from Client accounts. Custodians will provide the client with a monthly or quarterly statement showing an inventory of the investments and transactions, which includes fees automatically deducted from their accounts.

In some cases, clients are billed directly by NAI via first class mail. These invoices reflect the amount of the fee, the value of the Client's Account on which the fee was based, and the specific manner in which NAI's fee was calculated.

Fees are normally based on a sliding scale or on a flat percentage basis or may also be engaged on a consulting projects basis for a flat fee. The sliding scale is as follows:

<b>Account Size</b>	<b>Fee</b>
\$100,001 to \$499,999	1.20%
\$500,000 to \$999,999	1.00%
\$1,000,000 to \$1,499,999	0.85%
\$1,500,000 to \$1,999,999	0.75%
Over \$2,000,000	Negotiable

(Multiple accounts from the same investor may be combined for fee purposes at NAI's discretion.)

NAI also provides fee-based financial planning services. Financial Planning fees are billed at an hourly rate, not to exceed \$200 per hour. Clients receive a fee estimate and a full description of services to be provided as part of the Financial Planning Agreement. Financial planning costs may be waived for investment clients. No minimums are required for financial planning services.

Clients should be aware that they are assessed additional fees by money management firms which may include separate account money managers' fees, mutual fund internal expenses, 12b-1 fees, platform fees, and transfer fees, in addition to advisory fees charged under our Advisory Agreement. The custodian and/or trading brokerage charge a separate transaction-based fee on some mutual funds. These fees are automatically deducted from the client's account. NAI will not receive any portion of these charges.

NAI has entered into a service agreement with Orion Advisor Services (Orion) for back office and certain administrative services. NAI pays Orion directly for performance reporting and billing services.

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

NAI does not charge performance-based fees. We do not accept commissions. We do not manufacture products; and therefore, our fee structure seeks to avoid conflicts of interest.

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## 7. Types of Clients

NAI provides investment advice and financial planning services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations and corporations.

NAI's relationships are often initiated by referrals from professionals or existing clients. Our diverse client base includes: **individual investors** who are accumulating and protecting wealth and understand the benefits of a written game plan, consolidated reporting, and an ongoing advisory relationship that places their interests first; **families** that employ financial and estate plans designed to shepherd their assets across generations; **businesses** who sponsor retirement plans that seek a highly functioning suite of services, including an adviser acting as a co-fiduciary; **retirement plan clients** seeking design, plan administration, and participant education on an ongoing basis; and **institutions** seeking responsible stewardship of their financial resources. This includes working with the boards of foundations and endowments to meet their goals while adhering to the highest fiduciary standard.

For advisory services, NAI's requires a minimum aggregate relationship size of \$250,000 in assets under advisement. However, the minimum may be waived by NAI subject to consideration of anticipated future contributions or other factors. No minimum value is required for financial planning services.

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

The first step we take with any client is to develop a written Statement of Investment Policy (IPS). The IPS is a guide for the design, implementation and monitoring of client portfolios. It is prepared with our clients' specific circumstances in mind including objectives, tolerance for risk and the clients' investment time horizon.

We invite our clients and prospective clients to provide a complete inventory of all of their investment positions so that they can be taken into account on developing recommendations and investment review for the assets entrusted to NAI's care. This is also important for assuring adequate diversification.

Positions in the portfolios are recommended based on due diligence that considers the investment's management, performance and expenses. We are mindful of expenses as it has an effect on long-term performance.



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## Risks

All investing involves a risk of loss.

Our process attempts to take into account the elements required for long-term success in achieving financial goals.

The list of risk factors below is not a complete enumeration or explanation of the risks involved in an investment through NAI or any of the client portfolios it manages. It is possible that some of the investment vehicles and direct investments selected by NAI will not meet all the above criteria, and that some or all the investments selected by NAI will not perform as anticipated. Depending on conditions and trends in the financial and securities markets and the economy in general, NAI may pursue any objectives, employ any investment techniques or purchase any type of security that it considers appropriate and in the best interests of clients that may not be described, subject to restrictions imposed by clients. There can be no assurance that the NAI's investment strategy will achieve profitable results, and results may vary substantially over time. Past performance of a portfolio or past performance of NAI or its affiliates are not indicative of future results. Investors risk the loss of their entire investment.

Note that the risks below are also applicable to the extent that a mutual fund recommended by NAI holds the types of securities described below. The risks associated with mutual fund positions are disclosed in the mutual fund prospectus prepared by the fund companies and provided to clients by NAI with the initial investment recommendation.

**Common Stock Risk.** Common stock risks include the financial risk of selecting individual companies that do not perform as anticipated, the risk that the stock markets in which a portfolio invests may experience periods of turbulence or instability, and the general risk that domestic and global economies may go through periods of decline and cyclical change.

**Small and Mid-Cap Stocks Risk.** Companies with small and medium market capitalizations are relatively small compared to large-capitalization companies; they may be engaged in business mostly within their own geographic region; and may be less well known to the investment community. Also, these companies often have less liquidity, less management depth, narrower market penetrations, less diverse product lines and fewer resources than larger companies. As a result of these factors, small and mid- capitalization stock prices have greater volatility than large company securities.

**Growth Stock Risk.** NAI may invests in companies or mutual funds that contain what appear to be growth-oriented companies. If perceptions of a company's growth potential are wrong, the securities purchased may not perform as expected, reducing a client portfolio's return.

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**Foreign Securities Risk.** Investments in foreign securities involve greater risks compared to domestic investments for the following reasons: foreign companies may not be subject to the regulatory requirements of United States companies, so there may be less publicly available information about foreign issuers than United States companies; foreign companies generally are not subject to uniform accounting, auditing and financial reporting standards; dividends and interest on foreign securities may be subject to foreign withholding taxes and such taxes may reduce the net return to client accounts; and foreign securities are often denominated in a currency other than the United States dollar. Accordingly, client portfolios will be subject to the risks associated with fluctuations in currency values. Issuers of foreign securities may still be subject to the risk of expropriation, confiscation, taxation, currency blockage, or political or social instability, any of which could negatively affect client portfolios.

**Emerging Markets Risk.** Investments in developing countries may experience high rates of inflation or sharply devalue their currencies against the United States dollar, causing the value of investments in companies located in those countries to decline. Transaction costs are often higher in developing countries, and there may be delays in the settlement process.

**Portfolio Turnover Risk.** A mutual fund selected by NAI may engage in aggressive portfolio trading, and could, thus, experience high turnover. A high rate of portfolio turnover in any year may increase brokerage commissions paid and could generate greater taxes for client portfolios on realized investment gains.

**Investment Concentration.** At times, a substantial portion of a portfolio's assets may be invested in the securities of a limited number of issuers, including mutual funds. Investing a significant portion of a portfolio's assets in a single issuer will make the portfolio susceptible to a greater degree than would otherwise be the case to risks affecting investments in such issuer. Such concentration of investments will increase the volatility of the value of the portfolio's portfolio investments.

**Management Risk.** Client portfolios are subject to management risk because they are actively managed by investment managers via mutual funds or separate accounts. These managers will apply their investment techniques and risk analyses in making investment decisions for client portfolios, but there is no guarantee that their decisions will produce the intended result.

**Risks Related to Regulation.** Laws and regulations affecting our business change from time to time, and we are currently operating in an environment of significant regulatory reform, both in the U.S. and globally. We cannot predict the effects, if any, of future legal and regulatory changes on our business or the services we provide.

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**Risks Related to Technology and Cyber Security.** We and our clients depend heavily on telecommunication, information technology and other operational systems, whether ours or those of others (such as custodians, financial intermediaries and other parties to which we or they outsource the provision of services or business operations). These systems may fail to operate properly or become disabled as a result of events or circumstances wholly or partly beyond our or their control. Further, despite implementation of a variety of risk management and security measures, our information technology and other systems, and those of others, could be subject to physical or electronic break-ins, unauthorized tampering or other security breaches, resulting in a failure to maintain the security, availability, integrity and confidentiality of data assets. Technology failures or cyber security breaches, whether deliberate or unintentional, including those arising from use of third-party service providers or client usage of systems to access accounts, could have a material adverse effect on our business or our clients and could result in, among other things, financial loss, reputational damage, regulatory penalties or the inability to transact business.

**Business Continuity Risk** – NAI has a business continuity plan (“BCP”) that was designed to address interruptions in our normal business operations. While we believe our BCP is adequate to allow for the continued operations of our business, there is a risk that certain natural or other events that have not been anticipated may impact our operations for a period of time, where NAI is unable to provide continuous investment advisory services. Such examples include but are not limited to terrorist attacks and global pandemics.

## **9. Disciplinary Information**

NAI, acting as a fiduciary, has an obligation to disclose disciplinary events to clients. NAI has had no disciplinary events. This includes our firm’s employees, officers, partners, and all persons directly or indirectly controlling or controlled by the firm. ADV Part 1A is filed electronically with the Securities and Exchange Commission and is publicly available on their website.

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

Neither NAI nor any of its supervised persons are registered or pending registration as a futures commission merchant, commodity pool operator, commodity trading advisor, or as an associated person of these entities.

Supervised persons of NAI are registered with a broker-dealer. If a client desires to purchase securities products outside of the investment advisory services described above, clients may do so through this broker-dealer. Clients typically pay sales charges for these transactions, which could generate compensation in addition to any fees described herein.

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However, NAI does not participate in any commission-based compensation. A portion of NAI solicitor's advisory fees may be paid to the supervised person's Broker-Dealer through a separate agreement between the supervised person and the Broker-Dealer firm.

NAI will enter into professional affiliations with third party licensed investment advisors in order to offer fee-based advisory programs.

Supervised persons of NAI are affiliated with Mid America Group-Northeast, Inc., ("MAGNE") an insurance agency and pension consulting firm owned by Lawrence Hamilton. NAI has entered into solicitor relationships with Thomas Cardillo, employee at MAGNE, and Mr. Hamilton. Prospective NAI clients are required to receive a written disclosure of the referral relationships with NAI along with a copy of this Brochure. Should clients of NAI become clients of MAGNE, a separate and distinct fee will be charged by MAGNE for insurance and pension consulting services provided by that Firm. However, NAI does not have a direct relationship with MAGNE that is material to its business and does not share in their fee. An additional disclosure reiterating the separate firms is provided to NAI clients interested in services provided by MAGNE.

In addition to owning MAGNE, Mr. Hamilton is a licensed broker and advisory representative of Trustmont Advisory Services/Trustmont Financial Group (Trustmont). Through Trustmont, Mr. Hamilton has access to sell or recommend commission based products. NAI does not receive any portion of these commission nor does NAI have a direct relationship with Trustmont Advisory Services. If a NAI client were to be interested in product(s) offered by Trustmont but not NAI, the client would be notified of the distinction between the two firms. NAI does not recommend products of, refer clients to, or receive compensation from Trustmont. Clients should be aware of the distinction between Northeast Advisers, Inc. and Trustmont.

Supervised persons and Solicitors of NAI are affiliated with Eric Bleiler, president of Eric J Bleiler, CPA & Co and Terry Jones, president of Terry H. Jones, CPA & Co. Prospective clients receive a written disclosure of the respective referral relationship with NAI.

NAI does business as Zinn Advisers for the purpose of developing client relationships and sharing fees with Greg and Jon Zinn, Principals of Zinn Insurance, LLC of Lebanon, PA. NAI also will provide the prospective client with written disclosure of the referral relationship with NAI.

The payment of a referral fee to a Solicitor will not result in the client being charged an investment advisory fee any greater than the fee charged any other client of the Adviser for comparable services obtained without the use of a Solicitor. NAI will share with the Solicitor a portion of the fees collected from the client.

For additional information regarding Solicitors and client referrals, see **Item 14.**

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

The NAI Code of Ethics is designed to ensure that the personal securities transactions, activities and interests of the employees and owners of NAI do not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

In addition, the Code of Ethics describes NAI's standard of business conduct and fiduciary duty to its clients. It includes provisions relating to the confidentiality of client information, a prohibition on insider trading, preclearance of certain securities, reporting of securities holdings and transactions, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, among other things.

NAI and its principals may, from time to time, buy or sell the same securities recommended to clients in their own account(s). All related persons are required to submit personal securities logs every quarter for review by Compliance. Any conflicting transactions of a related person are denied. A copy of NAI's Code of Ethics is available upon request by phone at 610-240-7955, or toll free at 1-800-971-7039 and by email at [advice@northeastadvisers.com](mailto:advice@northeastadvisers.com).

## **12. Brokerage Practices**

Clients will pre-approve all purchases and sales made to implement the client's investment strategy in advance of the transaction. Such authorization will identify the brokerage firm where the transaction will take place. This will generally be market orders placed at the custodian. Occasionally, we may suggest a brokerage firm where different types of orders are indicated as being in the client's best interest. Such transactions will be pre-approved by the client.

When recommending broker-dealers to clients, NAI is charged with seeking best execution. When reviewing best execution of a Custodian's broker-dealer, NAI will consider the full range of services including execution capability, financial responsibility, commission rates, the value of research provided, and responsiveness to the adviser. While NAI seeks to recommend brokerage services that include competitive or best rates, we do not select broker-dealers solely on the basis of cost but on the best overall quality of execution. Other broker-dealers may offer the same services at a lower overall cost.

NAI participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade Inc. ("TD Ameritrade") member FINRA/SPIC. TD Ameritrade is an independent and unaffiliated SEC-registered broker-dealer. TD Ameritrade offers to independent investment advisors, services which include custody of securities, trade

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execution, clearance, and settlement of transactions. NAI receives benefits from TD Ameritrade through its participation in the program. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to trading desk serving NAI participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and compliance, marketing, research, technology, and practice management products or service provided to NAI by third party vendors without cost or at a discount. For a period of one year from the account open date, TD Ameritrade will reimburse NAI for the quarterly Orion service fees associated with all new accounts opened at TD Ameritrade. Please see the disclosure under **Item 14** for additional information.

TD Ameritrade also has paid for business consulting and professional services received by NAI's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit NAI but may not benefit its Client accounts. These products or services may assist NAI in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help NAI manage and further develop its business enterprise. The benefits received by NAI or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, NAI endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by NAI or its related persons in and of itself creates a potential conflict of interest and may indirectly influence NAI's choice of TD Ameritrade for custody and brokerage services.

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

Client accounts are reviewed relative to the clients' investment objectives and the established investment policy. Such services are undertaken on a routine basis or because of changes in market conditions, changes to security positions or changes in investment goals or policies. NAI currently has five client account reviewers with an average of over ten years of experience. Please see Part 2B for a list of our advisors and their qualifications.

Clients may elect to receive monthly and quarterly reports outlining cost and market value of all assets. Certain broker-dealers maintain custodial platforms that offer additional reporting as part of their services. Performance reports for other custodians are prepared by NAI through Orion, reflecting independent feeds from the respective custodians.

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Orion provides performance, holdings statements, administrative services such as fee calculations, billing reports, a client portal, and other reports for client accounts.

Clients receive a copy or an electronic notice of the availability of the report if they've elected electronic delivery.

Clients also receive custodial statements directly from their custodians at least quarterly. All clients are urged to compare information provided in their performance statements to the information provided by their qualified custodian.

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

Supervised persons of NAI are employed by a certified public accounting and consulting firm, an insurance brokerage firm, or a broker-dealer as disclosed in **Item 10**. NAI does not participate in compensation that a client may pay for accounting, consulting, or insurance services.

NAI has entered into written agreements with other individuals (hereinafter referred to as solicitors) under which solicitors will refer clients to NAI and NAI will provide such clients with financial services for its customary fees. Solicitors will be paid fees, commonly referred to as finder's fees, for such referrals by NAI. The amount is based on a percentage of fees received by NAI from the accounts they introduce. The payment of such fees does not result in additional costs to the client and will be in compliance with federal regulations as set forth in Rule 206(4)-3 of the Investment Advisers Act of 1940 (the "Act").

Furthermore, depending upon the circumstances surrounding the referral, either the solicitor for NAI or NAI will provide the prospective client with written disclosure of their referral relationship with NAI and will obtain a written acknowledgement of such disclosure from the prospective client prior to NAI's entering into an advisory contract pursuant to Rule 206(4)-3 of the Act.

As disclosed under **Item 12** above, NAI participates in TD Ameritrade's institutional customer program and NAI may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between NAI's participation in the program and the investment advice it gives to its Clients, although NAI receives economic benefits through its participation that are typically not available to TD Ameritrade retail investors. These benefits include the use of products and services provided without cost or at a discount as detailed above.

TD Ameritrade also has paid for business consulting and professional services received by NAI's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit NAI but may not benefit its Client accounts. These

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products or services may assist NAI in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help NAI manage and further develop its business enterprise. The benefits received by NAI or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, NAI endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by NAI or its related persons in and of itself creates a potential conflict of interest and may indirectly influence NAI's choice of TD Ameritrade for custody and brokerage services.

### **15. Custody**

NAI does not have custody of client assets. Client assets are held by independent, third party custodians. Based on a client's particular situation, NAI will recommend client assets be held at such organizations as SEI Private Trust, TD Ameritrade Institutional, and Vanguard because of their dedication to low transactional fees and high levels of client service. Clients may also elect to utilize another custody platform of their own choosing.

Recommendation of custodial services is closely related to brokerage selection. Please see ***Items 12 and 14*** for additional information.

### **16. Investment Discretion**

Consistent with Advisory Service Agreements executed with Clients, NAI will not execute a trade without a client's prior authorization.

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

NAI does not vote client proxies. NAI may offer assistance to clients upon request. However, voting authority remains with the client. Clients receive proxies and other solicitations directly from their custodian for the securities held in the client's account.

### **18. Financial Information**

NAI does not collect advisory fees in advance. We do not have discretionary authority over client assets. This means that any transactions are made with the client's advance permission. NAI does not have custody of client funds or securities. Client assets are held in safekeeping at an independent custodian.



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Client statements and performance reports are also prepared by the independent third party custodian or service providers such as Orion.

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

Please see ADV Part 2B for principal executive officers' education and business background.

## **20. Privacy Notice**

We are committed to maintaining the confidentiality of your private and confidential information and ensuring their secure safekeeping. We are providing this information to you in order that you may understand how we use your personal and financial information that you have provided to us. Specifically, we wish to inform you as to how we collect, share and protect your confidential information.

### **How we collect and types of information we collect about you**

We collect certain information when you provide information to us or your custodian or other service providers provide information to us. We collect this information from you for our discussions with you, from documents that you may deliver to us and in the ordinary course of providing advisory services for you. This information may include, among other things, your name and address, Social Security or taxpayer identification number, date of birth, net worth, sources of your wealth, income, employment information, wire transfer instructions, investment experience, and risk tolerance.

### **How we handle your personal information**

We do not disclose any nonpublic personal information about our clients to any affiliates or nonaffiliated third parties except disclosures for everyday business purposes, such as to process transactions for your account, to maintain your accounts, as authorized by you, or as permitted or required by law. We may also disclose nonpublic personal information to the following nonaffiliated third party service providers in order for them to provide their services to us:

- administrators
- attorneys
- regulatory compliance consultant
- accountants

We require such nonaffiliated third parties to protect the confidentiality of your nonpublic personal information and to use the information only for purposes for which it is disclosed to them.

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### **How we safeguard your personal information**

We restrict access to information about you to those Supervised Persons and service providers who need to know the information in order to provide services to you. To protect your nonpublic personal information, we maintain physical, electronic and procedural safeguards that comply with federal regulations to guard your information. We adhere to the policies and practices described herein regardless of whether you are a current or former client.

### **Can you limit how we share your information?**

Given we only provide information to those parties you have authorized, are necessary service providers, or as required by law, you cannot limit how we share your information although you can instruct us in writing to cease sharing information with any party you previously authorized. It is necessary for us to share your nonpublic information in order to effectively service your account.

### **Questions?**

If you have any questions concerning any information in this privacy notice or how we collect, share or protect your information, please call Michael Devine or Rebecca Cummings at 610-240-7955 or email at [advice@northeastadvisers.com](mailto:advice@northeastadvisers.com).

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## Form ADV Part 2B Brochure Supplement

March 2020

Advisers:

J. Michael Devine  
Eric J. Bleiler, CPA/PFS CFP®  
Thomas J. Cardillo, CLU, ChFC  
Rebecca Cummings, CPA, CFP®  
Lawrence Hamilton, CFP®

**Contact Information:**

**Northeast Advisers, Inc.**  
**163 W. Lancaster Ave., First Floor**  
**Paoli, PA 19301**  
610-240-7955  
Toll Free: 800-971-7039  
[advice@northeastadvisers.com](mailto:advice@northeastadvisers.com)  
[www.northeastadvisers.com](http://www.northeastadvisers.com)

Northeast Advisers, Inc. D/B/A  
Zinn Advisers  
761 Poplar Street, Lebanon, PA 17042  
717-272-5072

Education and business standards have been established by NAI for those individuals involved in determining investment advice provided to clients. Requirements may include: successful completion of NASD Series 65, Series 7, and/or Series 63 examinations, minimum 5 years experience, continuing education and attainment or pursuit of professional designations including MSFS, CPA, or CFP®.

This brochure supplement provides information about the advisers listed on the cover page of Northeast Advisers, Inc. (NAI) ADV Part 2B. You should have received a copy of our firm's brochure, ADV Part 2A. Please contact Michael Devine, President and CEO of NAI at 610-240-7955 if you did not receive Northeast Advisers, Inc. brochure (Part 2A), or if you have any questions about the contents of this supplement.

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

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## **J. Michael Devine**

### **Educational Background and Business Experience**

Year of Birth: 1955  
 Education: St. Joseph's University, 1977, BS  
 College for Financial Planning, 1993, MS Finance, MS Retirement Planning  
 Center for Fiduciary Studies, Accredited Investment Fiduciary<sup>®4</sup>, 2016  
 Business Background: Northeast Advisers, Inc., President and CEO, June 2000-Present

### **Disciplinary Information**

No disciplinary actions have been taken against any of our advisors. To verify disciplinary history, please see <http://www.adviserinfo.sec.gov/>.

### **Other Business Activities**

Only those activities disclosed herein.

### **Additional Compensation**

Michael Devine does not receive any additional compensation for advisory services other than the salary paid by Northeast Advisers, Inc.

### **Supervision**

Michael Devine is President and CEO of NAI. Rebecca Cummings and Michael Devine supervise other advisors associated with our firm. This is conducted by quarterly compliance reports, personal transaction reports and annual holdings reports.

Mr. Devine also monitors advice provided to clients by constant communications (via phone, email, fax) with the supervised persons, keeping in mind the client's objectives and investment goals.

Mr. Devine's compliance reports, personal transactions and annual holdings are reviewed by Rebecca Cummings, CPA, CFP<sup>®</sup>, Chief Compliance Officer and an advisory representative of NAI.

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## Thomas J. Cardillo, CLU<sup>5</sup>, ChFC<sup>6</sup>

### Educational Background and Business Experience

Year of Birth: 1948  
Education: Wilkes University, 1970, BS- Commerce/Finance  
Business Background: Northeast Advisers, Inc., Investment Advisory Representative, August 2000-Present  
Mid America Group-Northeast, Inc., President, July 1991-Present

### Disciplinary Information

No disciplinary actions have been taken against any of our advisors. To verify disciplinary history, please see <http://www.adviserinfo.sec.gov/>.

### Other Business Activities

As disclosed below.

### Additional Compensation

Mr. Cardillo is compensated in arrears on a quarterly basis a portion of advisory fees associated with him as noted in Northeast Advisers, Inc. ADV Part 2A **Items 10 and 14**.

Mr. Cardillo is also compensated for his insurance brokerage services with Mid America Group, Northeast (MAGNE). NAI does not receive any compensation from these services. As described in ADV Part 2A, clients will receive a disclosure regarding the fee sharing between NAI and Mr. Cardillo. An additional disclosure will be provided to NAI clients interested in annuity, insurance or other commission products and it will describe what services NAI provides and that NAI does not sell or endorse products of MAGNE.

### Supervision

Mr. Cardillo is supervised by Rebecca Cummings, CPA, CFP® Chief Compliance Officer of Northeast Advisers, Inc. This is conducted by quarterly compliance reports, personal transaction reports and annual holdings reports.

Mr. Devine also monitors advice provided to clients by constant communications (via phone, email, fax) with Mr. Cardillo, keeping in mind the client's objectives and investment goals.

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**Eric J. Bleiler, CPA<sup>1</sup>/PFS<sup>2</sup>, CFP<sup>®3</sup>**

### **Educational Background and Business Experience**

Year of Birth: 1975  
Education: Bloomsberg University, 1998, BS-Business  
Administration/Accounting, BS-Political Science  
American College, 2005, CFP<sup>®</sup>  
Business Background: JK Financial Advisory Services, CERTIFIED FINANCIAL PLANNER<sup>®</sup>  
Practitioner, 2010 - Present  
JonesKohanski & Co., P.C., Certified Public Account, 2001 – 2018,  
Eric J. Bleiler, CPA & Co., LLC, 2018 - Present  
CERTIFIED FINANCIAL PLANNER<sup>®</sup> practitioner, 2003 – Present

### **Disciplinary Information**

No disciplinary actions have been taken against any of our advisors. To verify disciplinary history, please see <http://www.adviserinfo.sec.gov/>.

### **Other Business Activities**

Mr. Bleiler is the owner and president of Eric J. Bleiler, CPA & Co., LLC, an accounting firm. At Eric J. Bleiler, CPA & Co, he is compensated for his accounting services by way of his ownership interest. NAI does not receive a portion of this compensation or have any ownership or control of this entity.

### **Additional Compensation**

Mr. Bleiler is compensated in arrears on a quarterly basis a portion of advisory fees associated with him as noted in Northeast Advisers, Inc. ADV Part 2A **Items 10 and 14**.

### **Supervision**

Mr. Bleiler is supervised by Rebecca Cummings, CPA, CFP<sup>®</sup>, Chief Compliance Officer of Northeast Advisers, Inc. This is conducted by quarterly compliance reports, personal transaction reports and annual holdings reports.

Mr. Devine also monitors advice provided to clients by constant communications (via phone, email, fax) with Mr. Bleiler, keeping in mind the client's objectives and investment goals.

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## **Rebecca Cummings, CPA<sup>1</sup>, CFP<sup>®3</sup>**

### **Educational Background and Business Experience**

Year of Birth: 1988  
 Education: The Pennsylvania State University, 2012, BS – Accounting, BS – Finance,  
 Masters – Accounting  
 Center for Fiduciary Studies, Accredited Investment Fiduciary<sup>®4</sup>, 2016  
 Business Background: Senior Associate KPMG, 2012-2015  
 Chief Compliance Officer, Director of Client Services, Northeast Advisers,  
 Inc., June 2015 - Present

### **Disciplinary Information**

No disciplinary actions have been taken against any of our advisors. To verify disciplinary history, please see <http://www.adviserinfo.sec.gov/>.

### **Other Business Activities**

No other business activities.

### **Additional Compensation**

Ms. Cummings does not receive any additional compensation for advisory or planning services other than the salary paid by Northeast Advisers, Inc. On occasion, Becca volunteers to participate in test forums or interest groups sponsored by Vanguard Advisor Services. Meals and travel expenses are typically covered by Vanguard but no other compensation is provided. Ms. Cummings does not receive any special pricing at Vanguard for participating.

### **Supervision**

Ms. Cummings is supervised by Michael Devine, President and CEO of Northeast Advisers, Inc. This is conducted by quarterly compliance reports, personal transaction reports and annual holdings reports.

Mr. Devine also monitors advice provided to clients by constant communications with Ms. Cummings, keeping in mind the client's objectives and investment goals.

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## Lawrence Hamilton, CFP®<sup>3</sup>

### Educational Background and Business Experience

Year of Birth: 1955  
 Education: The Pennsylvania State University, 1977, BS – Finance,  
 The American College, 1983, MS – Financial Services  
 College for Financial Planning, 1987, CFP®  
 Business Background: Mid America Group NE, President 1985-Present  
 Trustmont Financial Group, Inc., Advisor, 2006 – Present

### Disciplinary Information

No disciplinary actions have been taken against any of our advisors. To verify disciplinary history, please see <http://www.adviserinfo.sec.gov/>.

### Other Business Activities

As disclosed below

### Additional Compensation

Mr. Hamilton is compensated in arrears on a quarterly basis a portion of advisory fees associated with him as noted in Northeast Advisers, Inc. ADV Part 2A **Items 10 and 14**.

Mr. Hamilton is also compensated for his insurance brokerage services with Mid America Group, Northeast (MAGNE) and Trustmont. NAI does not receive any compensation from these services. As described in ADV Part 2A, clients will receive a disclosure regarding the fee sharing between NAI and Mr. Hamilton. An additional disclosure will be provided to NAI clients interested in annuity, insurance or other commission products and it will describe what services NAI provides and that NAI does not sell or endorse products of Trustmont.

### Supervision

Mr. Hamilton is supervised by Rebecca Cummings, CPA, CFP® Chief Compliance Officer of Northeast Advisers, Inc. This is conducted by quarterly compliance reports, personal transaction reports and annual holdings reports.

Mr. Devine also monitors advice provided to clients by constant communications (via phone, email, fax) with Mr. Hamilton, keeping in mind the client's objectives and investment goals.



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## Footnotes

<sup>1</sup>**Certified Public Accountant (CPA)** CPAs are licensed and regulated by their state boards of accountancy. While state laws and regulations vary, the education, experience and testing requirements for licensure as a CPA generally include minimum college education, minimum experience levels, and successful passage of the Uniform CPA Examination. Both Mr. Bleiler and Ms. Cummings are licensed in Pennsylvania (PA) by the Pennsylvania State Board of Accountancy.

Mr. Bleiler was required to have a minimum of 120 bachelor degree hours with at least 24 credits in accounting, business law, finance, micro or macroeconomics, or tax subjects sanctioned by the Pennsylvania State Board of Accountancy; complete two years (3,200 hours) of work experience through employment in government, industry, academia, or public practice; and pass the uniform CPA exam.

Ms. Cummings was required to have a minimum of 150 bachelor degree hours with at least 24 credits in accounting, business law, finance, micro or macroeconomics, or tax subjects sanctioned by the Pennsylvania State Board of Accountancy; complete one year (1,600 hours) of work experience through employment in government, industry, academia, or public practice; and pass the uniform CPA exam.

In order to maintain a CPA license, states generally require the completion of 40 hours of continuing professional education (CPE) each year (or 80 hours over a two year period or 120 hours over a three year period). Prior to 2018, the Pennsylvania State Board of Accountancy required 80 hours over a two year period with a minimum of 20 hours per year. Of the 80 hours, the following hours are required: 16 hours in A&A, 8 hours in Tax, and 4 hours in Ethics. Starting in 2018, the PA State Board requires 80 hours over a two year period, with a minimum of 20 hours per year and 4 hours in Ethics. If you provide attest services, 24 hours must be in A&A.

All American Institute of Certified Public Accountants (AICPA) members are required to follow a rigorous Code of Professional Conduct which requires that they act with integrity, objectivity, due care, competence, fully disclose any conflicts of interest (and obtain client consent if a conflict exists), maintain client confidentiality, disclose to the client any commission or referral fees, and serve the public interest when providing financial services. 120 continuing education hours must be completed over a rolling 3 year period.

In addition to the Code of Professional Conduct, AICPA members who provide personal financial planning services are required to follow the Statement on Standards in Personal Financial Planning Services (SSPFPS).

There are no continuing education requirements for the Pennsylvania Institute of Certified Public Accountants (PICPA).

<sup>2</sup>**Personal Financial Specialist (PFS)** The PFS credential demonstrates that an individual has met the minimum education, experience and testing required of a CPA in addition to a minimum level of expertise in personal financial planning. To attain the PFS credential, a candidate must hold an unrevoked CPA license, certificate, or permit, none of which are in inactive status; fulfill 3,000 hours of personal financial planning business experience; complete 75 hours of personal financial planning CPE credits; pass a comprehensive financial planning exam and be an active member of the AICPA. A PFS credential holder is required to adhere to AICPA's Code of Professional Conduct and the Statement on Standards in Personal Financial Planning Services, when providing personal financial planning services. To maintain their PFS credential, the recipient must complete 60 hours of financial planning CPE credits every three years. The PFS credential is administered through the AICPA.

<sup>3</sup>**CFP®** The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board"). The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of

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conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 71,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

*Education* – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;

*Examination* – Pass the comprehensive CFP® Certification Examination. The examination includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;

*Experience* – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and

*Ethics* – Agree to be bound by CFP Board’s Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

*Continuing Education* – Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial planning field; and

*Ethics* – Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

#### **<sup>4</sup>Accredited Investment Fiduciary® (AIF®)**

The AIF Designation certifies that the recipient has specialized knowledge of fiduciary standards of care and their application to the investment management process. To receive the AIF Designation, the individual must meet prerequisite criteria based on a combination of education, relevant industry experience, and/or ongoing professional development, complete a training program, successfully pass a comprehensive, closed-book final examination under the supervision of a proctor and agree to abide by the Code of Ethics and Conduct Standards. In order to maintain the AIF Designation, the individual must annually attest to the Code of Ethics and Conduct Standards, and accrue and report a minimum of six hours of continuing education. The Designation is administered by the Center for Fiduciary Studies, the standards-setting body of fi360.

#### **<sup>5</sup>CLU® - Chartered Life Underwriter®**

The CLU® designation, awarded by the American College of Financial Services, demonstrates competency and a commitment to excellence and professionalism in all areas of planning relating to life insurance and related products and services. The program is a 6-12 month program covering extensive subject matter material.

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Required courses for CLU® certification include Fundamentals of Insurance Planning; Individual Life Insurance; Life Insurance Law; Fundamentals of Estate Planning; and Planning for Business Owners and Professionals,

Eight (8) separately administered examinations each lasting up to two (2) hours and containing 100 questions on relevant subject matter material must be passed as prerequisites for CLU® certification. Continuing professional education is required.

*Education Requirements:* CLU® candidates must complete eight courses. The required courses include Fundamentals of Insurance Planning; Individual Life Insurance; Life Insurance Law; Fundamentals of Estate Planning; Planning for Business Owners and Professionals.

*Examination Requirements:* Eight closed-book, course-specific, proctored exams;

*Experience Requirements:* Candidates are required to have three-years of full-time, relevant business experience; and

*Ethics Requirements:* Must adhere to The American College's Code of Ethics, which includes the following professional pledge: "I shall, in light of all conditions surrounding those I serve, which I shall make every conscientious effort to ascertain and understand, render that service which, in the same circumstances, I would apply to myself."

*Continuing Education:* To retain the CLU® designation, a designee must obtain thirty hours of continuing education every two years, with at least one hour of ethics CE as part of that total.

#### **ChFC® - Chartered Financial Consultant®**

To attain the right to use the ChFC® marks, an individual must satisfactorily fulfill the following requirements:

*Education Requirements:* ChFC® candidates must complete nine college-level courses, seven required and two electives. The required courses include Financial Planning: Process and Environment; Fundamentals of Insurance Planning; Income Taxation; Planning for Retirement Needs; Investments; Fundamentals of Estate Planning; and Financial Planning Applications.

*Examination Requirements:* Nine closed-book, course-specific, proctored exams;

*Experience Requirements:* Candidates are required to have three-years of full-time, relevant business experience; and

*Ethics Requirements:* Must adhere to The American College's Code of Ethics, which includes the following professional pledge: "I shall, in light of all conditions surrounding those I serve, which I shall make every conscientious effort to ascertain and understand, render that service which, in the same circumstances, I would apply to myself."

*Continuing Education:* To retain the Chartered Financial Consultant® designation, a ChFC® must obtain thirty hours of continuing education every two years, with at least one hour of ethics CE as part of that total.