



**DOVER PARTNERS, INC.**  
**Form ADV Part 2A Disclosure Brochure**  
**&**  
**Part 2B Supplements**

**As of December 31, 2019**

Updated March 20, 2020

(Specific information about **Dover Consulting Group** is in Item 10, page 7.)

**476 Windsor Park Drive**  
**Dayton, OH 45459-4111**  
**937.299.4105**

**[www.dover-partners.com](http://www.dover-partners.com)**

This brochure provides information about the qualifications and business practices of Dover Partners, Inc. and the Dover Consulting Group. If you have any questions about the contents of this brochure, please contact us at 937.299.4105. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Dover Partners, Inc. is a registered investment adviser. Registration as an investment adviser does not imply any certain level of skill or training. The adviser's oral and written communications can provide you with the information you can use to determine whether to hire or retain an adviser. Please review them and this brochure carefully.

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

## ITEM 2: MATERIAL CHANGES

In 2010, the United States Securities and Exchange Commission (SEC) published "Amendments to Form ADV," which amended the required disclosure document we provide to clients, as required by SEC Rules.

The following brochure was updated as of March 20, 2020. Brochures prepared after that date will *only be used* to draw your attention to and discuss relevant general information and more specific material changes that have occurred since its last update.

*Except for assets under management, there has been one material changes since the previous edition, dated March 28, 2019.*

### **-- New Shareholder --**

*Joshua A. Smittkamp was made a shareholder in the Corporation. As an employee with Dover for many years, Josh has shown commitment and dedication to Dover's clients and will do so as a shareholder in the firm for years to come. Should you have any thoughts or questions, as always, feel free to call us at (937) 299-4105 - Josh will likely answer!*

In the past, we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Dover Partners will also deliver to clients (at no charge) *any material changes* to the information in the Brochure *as they occur*.

You may request a current copy of our brochure *at any time* by contacting Joshua Smittkamp at 937.643.2839 or Richard A. Campbell at 937.643.2866.

The brochure is also available for free *downloading* on our website [www.dover-partners.com](http://www.dover-partners.com).

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### **ITEM 4: ADVISORY BUSINESS**

#### **A. THE COMPANY**

Dover Partners, Inc. (alternatively referred to within this brochure as, "Dover Partners" "Dover," "the firm," "our" or "we") is a privately-owned company in Dayton, Ohio and was founded in 1989. It has no affiliations with any other company other than its sub-division - *Dover Consulting Group*. Its sole owners are Richard A. Campbell and Jackson A. Newell, who are the original founders of our firm founded in 1989.

## B. INVESTMENT SERVICES

Dover Partners provides investment management services to individuals, retirement plans, foundations, and endowments. Upon request, we will work with clients to accommodate specific restrictions on any of our investment strategies.

In general, *Dover decides* on what specific investments will be purchased and when they will be made in a client's account. These decisions are based upon a careful review of each client's objectives, needs, suitability, restrictions and general characteristics. This process is referred to as *discretionary management*.

We offer the following discretionary investment strategies:

1. **Equity (i.e., stock) Portfolios** – The portfolio styles of **value and growth** will be comprised of value-type or growth-type companies.
2. **Balanced Portfolios** – These portfolios will consist of a balance between stock investments for future growth and fixed income investments (i.e., bonds) which offer current income. A typical portfolio consists of 60% stock investments and 40% taxable, fixed income securities unless client objectives dictate otherwise. Alternatively, we will use *tax-free bonds* when appropriate for individual clients.

While investing any of our clients' portfolios, we rely on client profile documentation provided either by the Client or their financial professionals. Dover may include the following investments in client portfolios:

1. Common stocks
2. Preferred stocks
3. Mutual funds
4. Exchange Traded Funds (ETF)
5. Investment-grade corporate bonds
6. U.S. Government and agency securities
7. Investment-grade municipal bonds

## ITEM 5: FEES AND COMPENSATION

### A. SEPARATE ACCOUNTS

Generally, fees for all accounts are 0.75% (or 75 basis points where 100 basis points equal 1%) annually. Fees are payable quarterly in advance and are calculated based on the value of the assets in the account at the end of each calendar quarter. Dover provides clients with quarterly fee invoices containing the amount of the fee, the value of the assets in the account on which the fee was based and the specific manner the fee was calculated. Fees for partial periods are prorated.

Dover reserves the right to negotiate fees. Some clients will pay more or less than others depending on certain factors, including but not limited to, the type and size of the account, the range of additional services provided to a specific client and the total assets managed for a single client. The fees charged to a client are detailed in a written agreement between each client and Dover Partners, Inc.

Since clients pay our fees in advance, our agreement also provides for a pro rata refund for services not provided, should an account be terminated.

As part of our discretionary management agreement, clients choose whether the firm's fee is deducted directly from their account or whether they will send us a quarterly check. Regardless of the client's choice, fees are assessed, and invoices are sent in the same manner as described above. However, some customers have designated their other financial professionals to calculate and pay Dover per our investment management agreement.

Clients may also incur custodian fees and brokerage fees in addition to Dover's fees. In some cases, custodian fees are included in the brokerage fee.

## **B. WRAP FEE PROGRAMS**

A "wrap" fee program is an advisory program under which specified fees are not based directly upon transactions in a client's account. Rather, they are charged a fee for investment advisory services that includes the execution of client transactions.

*Dover does not currently participate in wrap fee programs.*

## **C. ADDITIONAL COMPENSATION**

Other than our regular investment management fees, Dover personnel do not receive any form of additional compensation or economic benefit. We do not sell securities, mutual funds, other investment products or types of insurance. Our only source of compensation is that detailed in our agreement with our client.

## **ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

*Dover Partners does not manage any account on a performance-based fee.*

## **ITEM 7: TYPE OF CLIENTS**

Dover Partners typically provides investment management services to individuals, corporate pensions, 401(k) plans and profit-sharing plans, Taft-Hartley plans, foundations, endowments and trust accounts.

The minimum value for a new account is \$1 million. This is a guideline: all minimum requirements are subject to negotiation at the sole discretion of Dover.

## **ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **A. INVESTMENT METHODOLOGY**

The foundation of Dover's Investment Methodology is its disciplined approach to stock analysis, beginning with a quantitative analysis of companies based on strict fundamental criteria. This is followed by a more subjective evaluation of factors, including portfolio diversification and individual business characteristics.

## **B. VALUE PORTFOLIO**

Dover's value philosophy considers only relatively large capitalization companies and generally bases its buy/sell decision on four criteria:

1. Rising earnings expectation
2. low relative price-to-earnings (P/E) valuation
3. improving profitability and
4. low current P/E compared to historical P/E valuation.

Stocks passing all four screens are considered buy candidates and will be further evaluated to establish quality and appropriateness of client portfolios.

## **C. LARGE CAP GROWTH PORTFOLIO**

The growth philosophy begins by considering only relatively large capitalization companies in the top 50% of estimated earnings per share growth over the next three years. Dover then generally bases its buy/sell decision on three criteria:

1. Return on investment (ROI)
2. Net sales growth and
3. Free cash flow.

Stocks passing these screens are considered buy candidates and will be further evaluated to establish quality and appropriateness of client portfolios.

## **D. VALUE/GROWTH (CORE) PORTFOLIO**

Dover's core portfolio combines the top buy ideas from both the growth and value philosophies described above. This portfolio is structured with an emphasis on diversification, utilizing a comprehensive blend of high-quality holdings across various economic sectors. The intent is to achieve broad market exposure while maintaining less volatile portfolio returns over the course of a market cycle.

## **E. BALANCED PORTFOLIO**

A balanced portfolio will hold a blend of fixed income securities to provide current income and stability of portfolio values combined with one of the equity disciplines described above. Depending upon the needs of the client, fixed income securities can either be taxable or tax-free securities.

## F. EQUITY RISKS

There are a wide variety of different risks associated with investing in stocks; however, the two material risks associated with stock investing:

1. *Market Risk* – The overall direction of the general investment markets will affect the value of investments in any portfolio. Factors such as economic growth expectations, the direction of interest rates, inflation expectations, political events, geopolitical relationships and natural disasters will have variable effects on the equity markets.
2. *Management Risk* – This risk relates directly to the management decisions of a company. Our judgments about the attractiveness and potential appreciation of a company may prove incorrect, and there is no guarantee an individual company will perform as we anticipate. An individual company's market price can be more volatile than the market, or our selection process may fail to produce the intended results.

## G. FIXED INCOME RISKS

Purchasing fixed income securities for client portfolios has two primary functions: to provide current income and to reduce the volatility of the overall portfolio compared to an all-equity portfolio. Investing in bonds (i.e., fixed income) also has several risks related to it:

1. *Interest Rate Risk* – Fixed income securities will rise and fall based upon changes in general interest rates. Factors such as economic growth expectations, inflation expectations, political events, geopolitical relationships and natural disasters all will impact the direction of interest rates. If interest rates rise, the values of bonds decrease. On the other hand, if interest rates decline, the values of bonds increase.
2. *Management Risk* – A variety of decisions by a company's management personnel can have either a positive or adverse effect on the value of its debt.
3. *Credit Risk* – There is a risk that issuers and counterparties will not make promised payments on the securities they issue. Also, the credit quality of a security may be affected by the financial condition of an issuer. Lower credit quality may lead to greater volatility in the price of the security which may affect its liquidity and our ability to sell the security.

## ITEM 9: DISCIPLINARY HISTORY

This section requires registered investment advisers to disclose all material facts regarding any legal or disciplinary events that are material to the evaluation of the firm or the integrity of the firm's management.

Dover Partners has never had any legal, regulatory or disciplinary events to report.

## ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS

Dover Partners, Inc. has a distinct subdivision called **DOVER CONSULTING GROUP**. Dover Consulting provides a broad range of fiduciary, regulatory and investment consulting services primarily to retirement plans. *These activities do not fall within Dover Partners' investment advisory services.*

*As a matter of company policy and to avoid any potential for conflict, Dover Consulting cannot recommend Dover Partners as a potential investment manager. Likewise, Dover Partners is prohibited from recommending Dover Consulting to current clients.*

Dover Consulting Group does assume a fiduciary position (as defined by ERISA) for consulting clients when our services involve providing investment advice. From a strict investment perspective, Dover Consulting monitors existing portfolio holdings, recommends potential replacements (when deemed necessary) and recommends asset allocations for certain account types.

In addition to general fiduciary consulting, the following client services are also available to Dover Consulting clients:

1. Fiduciary Due Diligence Review
2. Preparation and Maintenance of an Investment Policy Statement and Plan Charter
3. Quarterly Investment Performance & Evaluation Monitoring
4. Cost Analysis Study
5. Mutual Fund Searches
6. Participant Education
7. Fiduciary Education for Trustees
8. Management of an RFP/RFQ Process
9. Vendor Searches
10. 408(b)(2) Fee Analysis
11. 404(c) Compliance Audit
12. Asset Allocation Studies

Dover Consulting Group's fees are charged on an annual or project basis directly to the client. They are calculated on a flat fee for service basis which is clearly stated in written client agreements.

Neither Dover Partners, Inc. nor Dover Consulting Group receives compensation from any other source than the fees we charge our clients. We do not have any conflicts of interest with any outside party.

## ITEM 11: CODE OF ETHICS, PERSONAL TRADING AND PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS



## **A. CODE OF ETHICS & PERSONAL TRADING**

Dover Partners does not buy securities for its own account. Therefore, no potential conflict of interest exists at the firm level.

Dover has adopted a **CODE OF ETHICS** for all employees of the company describing our high standards of business conduct, fiduciary duty to our clients and rules surrounding personal security trading by employees. The code is regularly monitored and updated as needed.

Our Code of Ethics prohibits employees from purchasing individual securities that are also eligible to be held in client portfolios with limited supervised exceptions. It also requires *any trade* be pre-approved by the firm's Compliance Officer (CO).

The code also includes guidelines related to gifts and to the reporting of personal securities holdings and trading activity of all our employees and/or their family accounts they may control. All personnel must accept in writing the terms of the Code of Ethics upon employment, annually thereafter.

Employees' and other accounts subject to our Code of Ethics are required to have their custodian send duplicate statement and trade confirmations to Dover's Compliance Officer (CO). Dover's Chairman reviews transactions (if any) of the Compliance Officer.

Clients or prospective clients may request a copy of our Code of Ethics by contacting our office.

## **B. PARTICIPATION IN CLIENT TRANSACTIONS**

Neither Dover Partners nor any employee or related person participates in any way in client securities transactions.

## **C. TRADE ERRORS**

Trade errors detected after the trade has settled in a client account are considered "Client Account Trade Errors." In circumstances where Dover Partners is determined to be at fault, Dover Partners will pay any losses resulting from the error. If it is determined the client is at fault, Dover Partners may, at its discretion, pay the loss or charge the loss (in whole or part) to the client. Any gains incurred when correcting a Client Account Trade Error will be retained by the client.

Trade errors detected before settlement in a client account are considered "Adviser Account Trade Errors." Dover Partners will correct Adviser Account Trade Errors in a separate error account. Any gains realized on a correcting trade will be retained by Dover and any losses incurred on a correcting trade will be paid by Dover Partners.

## **ITEM 12: BROKERAGE PRACTICES**

### **A. BROKER SELECTION AND BEST EXECUTION**

When a client does not have a brokerage relationship, Dover will typically provide information to help a client establish an independent, brokerage relationship.

When a client already has an existing brokerage relationship and designates that broker as the broker of record for the Dover Partners account, the client is solely responsible for negotiating the commission rates on that account. Because of the client's broker designation, we may be unable to execute a transaction with a dealer, specialist or market-maker for securities to achieve lower costs.

Achieving best execution of client securities trades is an important aspect of our trading process. We have controls in place where we monitor the implementation of clients' portfolio transactions, including reviewing trades for best execution.

## **B. RESEARCH AND OTHER SOFT DOLLAR BENEFITS**

Dover Partners does not have any commitments or understandings to trade with brokers, or to generate a specified level of brokerage commission with a broker, to receive discounted brokerage or research services. This practice is often referred to as "soft dollar arrangements." Dover *does receive* information from a variety of sources regarding the economy, the markets, political strategy, credit analysis, geopolitics and specific company research. All this data is received unsolicited, or we pay for it with "real" money. No services we receive require directing client transactions to any organization. The information obtained is used for the benefit of all clients.

## **C. DIRECTED BROKERAGE AND AGGREGATED TRADES**

Transactions for clients who have *designated brokers* are placed in random order with other clients where Dover has full discretion to execute trades. Clients who request directed trades may pay higher brokerage commissions because we may not be able to aggregate orders to reduce transaction costs. They may also receive less favorable prices and execution.

## **ITEM 13: REVIEW OF ACCOUNTS**

Dover's portfolio managers perform periodic reviews of each client account. In these reviews, every investment position is compared to the appropriate investment model to ensure consistency. Accounts are also monitored to ensure adherence to client objectives and restrictions (if any).

Dover produces quarterly statements containing a list of assets, investment results and other data about the client's account. Clients should review and compare this information to that which they receive in their separate, quarterly custodial statement. We also produce a client newsletter providing information about the general investing climate and specific information regarding new purchases (if any).

## **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

Dover Partners does not receive any form of economic benefit other than from the fees we charge clients which are detailed in written client agreements.

At its option, Dover can enter agreements with other financial professionals that are referred to as *Solicitor's Agreements*. Under this type of understanding, Dover will pay a percentage of its management fee collected from the client to the referring financial professional. Clients under these agreements will not be charged a higher fee than the standard fees described in Item 5.

*Dover Partners, Inc. currently has no Solicitor Agreements in effect.*

#### **ITEM 15: CUSTODY**

Dover Partners, Inc. does not provide custodial services to its clients. All client assets are held with banks or registered broker-dealers who are qualified custodians. Quarterly, clients will receive separate statements directly from their custodian. We urge clients to carefully review those statements and compare them to the reports we provide. The information in our reports rarely differs from custodial accounts. When it does, the difference is typically based on different accounting procedures, reporting dates or valuation methodologies of individual securities.

#### **ITEM 16: INVESTMENT DISCRETION**

Dover accepts discretionary authority to manage the assets in each client's account. When requested, we will also observe limitations and restrictions that will be clearly outlined in each account's investment management agreement.

#### **ITEM 17: VOTING CLIENT SECURITIES**

Dover encourages clients to allow us to vote shareholder proxies for the benefit of their account. When we vote proxies, our objective is to maximize the value of the securities held in clients' portfolios. In those instances, where we believe a conflict of interest may exist with our client, we will forward that proxy to the client to be voted. If a client wishes to control and vote their proxies, we can arrange for them to do so.

A copy of our proxy voting policies and procedures and information regarding the votes cast by Dover Partners about client securities is available upon request. That request can be mailed to:

Dover Partners, Inc.  
ATTN: Proxy Voting Requests  
476 Windsor Park Drive  
Dayton, OH 45459

#### **ITEM 18: FINANCIAL INFORMATION**

In certain circumstances, registered investment advisers are required to provide clients with financial data or disclosures about their financial condition. Dover Partners is unaware of any financial commitment that impairs our ability to meet contractual and fiduciary obligations to clients. We have never been the subject of a bankruptcy proceeding.

DOVER PARTNERS, INC.

Form ADV Part 2A – Disclosure Brochure & Part 2B Supplements for Year-End 2019



## **DOVER PARTNERS, INC.**

### **FORM ADV PART 2B**

### **BROCHURE SUPPLEMENTS**

**As of December 31, 2018**

Updated March 28, 2019

476 Windsor Park Drive  
Dayton, OH 45459-4111  
937.299.4105

[www.dover-partners.com](http://www.dover-partners.com)

This Brochure "Supplement" provides information about the professional and business qualifications of employees of Dover Partners, Inc. who are designated as Investment Advisor Representatives and, as such, are also considered a "supervised person(s)" within our firm. This information is in addition to our Form ADV Part 2A Brochure which you should have also received.

A *supervised* person is:

1. Anyone who formulates investment advice for a client and has direct client contact; and
2. who has discretionary authority over a client's assets, even if that person does not have direct client contact.

If you have any questions about the contents of this supplement, please contact Richard Campbell at 937-643-2866 or Josh Smittkamp at 937-643-2839.

NOTE FOR ALL SUPERVISED PERSONS LISTED BELOW: Dover Partners, Inc. does not have specific requirements of business backgrounds for individuals associated with the firm; however, all the individuals listed below have at least a Bachelor's Degree, and several have advanced degrees. The company encourages all employees to continue their job-related education whenever possible.

**JACKSON A. NEWELL**

DOB: October 31, 1953

Hired: October 1989

Co- Founder and a Control Person of the firm

Chief Executive Officer & Portfolio Manager

476 Windsor Park Drive

Dayton, OH 45459-4111

937-643-2830

March 14, 2015

1. EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Mr. Newell leads Dover's Investment Strategy Group which makes all investment decisions and directs economic and market research.

He received a B.A. Degree in Economics from Virginia Polytechnic Institute & State University and an M.A. Degree in Economics from George Mason University.

Before co-founding Dover, his prior experience was with a national bank as a senior trust investment officer, managing personal, employee-benefit accounts, and a state-wide stock fund.

2. DISCIPLINARY INFORMATION

Mr. Newell has never been involved in any legal or disciplinary events related to past or present investment clients or firms.

3. OTHER BUSINESS ACTIVITIES – None

4. ADDITIONAL COMPENSATION – None

5. SUPERVISION

Mr. Newell is the company's Chief Investment Officer. Investment decisions are formulated within the Investment Strategy Group. Members of this group are Mr. Newell and Mr. Joshua Smittkamp. Minutes of every Investment Strategy Group are prepared, reviewed and maintained by the Compliance Officer (Richard A. Campbell).

Supervisory actions and trading of all client accounts are by decisions of the Investment Group and congruent with Dover's Policy and Procedures Manual. Trading of client accounts is executed in conjunction with the above and per specific client instructions (if any).

**RICHARD A. CAMPBELL**

DOB: January 18, 1952

Hired: October 1989

Co-Founder and a Control Person of the Firm  
President & Senior Consultant, Dover Consulting Group  
476 Windsor Park Drive  
Dayton, OH 45459-4111  
937-643-2866  
March 14, 2015

1. BACKGROUND, EDUCATION AND BUSINESS EXPERIENCE

Mr. Campbell is a principal owner and co-founder of the firm. His primary responsibility is working with clients of Dover's Consulting Group which provide fiduciary and investment consulting services to a wide range of retirement funds.

He has a B.S. Degree from Indiana University and an M.B.A. Degree in Finance from Western Michigan University. Also, he has earned the Chartered Financial Analyst (CFA) designation. Mr. Campbell is a combat veteran of the U.S. Army.

2. DISCIPLINARY INFORMATION

Mr. Campbell has never been involved in any legal or disciplinary events related to past or present investment clients or firms.

3. OTHER BUSINESS ACTIVITIES – Mr. Campbell is the head of consulting division, Dover Consulting Group.

4. ADDITIONAL COMPENSATION – None

5. SUPERVISION

Mr. Campbell is the Firm's Chief Compliance Officer and provides supervisory services by Dover's Policy and Procedures Manual, SEC and ERISA Regulations.

**JOSHUA A. SMITTKAMP**

DOB: April 2, 1976

Hired: March 2001

Owner & Chief Operating Officer  
Portfolio Manager & Senior Consultant  
476 Windsor Park Drive  
Dayton, OH 45459-4111  
937-643-2866  
March 14, 2015

1. BACKGROUND, EDUCATION AND BUSINESS EXPERIENCE

Mr. Smittkamp has twenty years' experience in business and financial management. Also, he has five years' management experience in a small business environment.

He received his B.S. degree from Wright State University and has completed the College for Financial Planning's CRPS® (Chartered Retirement Plan Specialist) program of study.

2. DISCIPLINARY INFORMATION

Mr. Smittkamp has never been the subject of any legal or disciplinary events related to past or present investment clients or firms.

3. OTHER BUSINESS ACTIVITIES – None

4. ADDITIONAL COMPENSATION – None

5. SUPERVISION

As the Chief Operating Officer, Mr. Smittkamp provides a wide variety of supervisory services by decisions of the Investment Committee, investment operations, and administrative procedures. As a member of the Investment Strategy Group, he ensures all actions and investment decisions are congruent with Dover's Policy and

Procedures Manual. All trading of client accounts is executed in conjunction with Dover's investment management programs and specific client agreements.