

***LEHRER  
FINANCIAL & ECONOMIC  
ADVISORY SERVICES***

**5555 Del Monte Drive  
Suite 802  
Houston, Texas 77056  
713-626-8184**

[www.lehecoserv.com](http://www.lehecoserv.com)

***March 2020***

This Brochure provides information regarding the qualifications and business practices of ***Lehrer Financial & Economic Advisory Services***. If you have any questions about the contents of this Brochure, please contact us at [drken@lehecoserv.com](mailto:drken@lehecoserv.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. However, it has been provided to the SEC.

***Lehrer Financial & Economic Advisory Services*** is a registered investment advisor. Registration of an Investment Advisor does not imply any level of skill or training. The oral and written communications of an Advisor provide you with information about which you determine to hire or retain an Advisor.

Additional information about ***Lehrer Financial & Economic Advisory Services*** also is available on the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

The CRD number for ***Lehrer Financial & Economic Advisory Services*** is: 105835.

**Please Retain a Copy of This Brochure for Your Records**

## **ITEM 2: MATERIAL CHANGES**

Form ADV 2 is divided into two parts: Part 2A and Part 2B. Part 2A (the “Firm or Disclosure Brochure”) provides information about a variety of topics relating to an Advisor’s business practices and conflicts of interest. Part 2B (the “Brochure Supplement”) provides information about advisory personnel of Lehrer Financial & Economic Advisory Services.

Lehrer Financial & Economic Advisory Services believes that communication and transparency are the foundation of our relationship and continually strive to provide our Clients with the complete and accurate information at all times. We encourage all current and prospective Clients to read this Disclosure Brochure and discuss any questions you may have with us. And of course, we always welcome your feedback.

### **Material Changes**

The following changes have been made to this Disclosure Brochure since the last filed and distributed version:

- There have been no material changes to this disclosure brochure since our last filed and distributed version.

### **Future Changes**

From time to time, we may amend this Disclosure Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs in the business practices of Lehrer Financial & Economic Advisory Services.

At any time, you may view the current Disclosure Brochure on-line at the SEC’s Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You may also request a copy of this Disclosure Brochure at any time, by contacting Dr. Kenneth Eugene Lehrer, Chief Compliance Officer, at [drken@lehecoserv.com](mailto:drken@lehecoserv.com) or 713-972-7912.

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## ITEM 4: ADVISORY BUSINESS

***Lehrer Financial & Economic Advisory Services*** (“LFEAS”) is a fee-only, charged on an hourly or specific fee project basis, financial, valuation and economic advisory firm. The firm was founded in 1982 and has operated since that time in Houston, Harris County, Texas. The principal owner, Managing Director, and Chief Compliance Officer is Dr. Kenneth Eugene Lehrer.

LFEAS specializes in many areas of financial and economic advisory services, including - Institutional Real Estate, Economics, Finance, Damage and Medical Analyses, Banking, Business, ESOP and Non Public Business, Medical and Intellectual Property Valuations and Corporate Finance. The company both prepares institutional economic / finance reports, feasibility analysis, corporate business plans and provides litigation support in the areas of - economics, real estate, banking, valuations, class actions and finance.

Advisory services may involve advice on income, cash flow management, retirement, business valuations, estate planning, investments, tax saving strategies, and risk management. Investment advisory consultations can be general in nature or focus on particular areas of interest, depending on the client’s needs. Advice and/or recommendations will be based upon information provided by the client, which the advisor will deem to be reliable. Advice and/or services may be limited in scope.

The advice given may include the recommendation of annual reviews/updates and it is the Client's responsibility to initiate additional services as may be needed.

LFEAS does NOT have any client assets under management, does NOT have trading authority over any client funds and does NOT hold any client funds under their control or administration.

The LFEAS financial and economic advisory program includes the following:

***Institutional Real Estate Consulting:*** Dr. Lehrer, the firm’s Managing Director holds a Doctorate in Urban Economics (1980) from New York University ("NYU") and taught Real Estate Finance at the University of Houston, Graduate School of Business Administration from the late 1980's to 2002). Dr. Lehrer utilizes his significant education and well as his prior career background in institutional real estate to supply institutional real estate reports, analysis and studies to pension funds and other tax exempt organizations in regard to their real estate investments, alternatives and strategies.

***Pension Consultant:*** LFEAS provides advice to Plan Sponsors with respect to the design, implementation and maintenance of pension and profit sharing plans.

***Business Valuations*** - Business / Public and Non Public Company / ESOP: Reports are prepared on a flat fee basis depending upon the size / nature of the organization being valued. For a solo medical practice the flat fee is \$5,000 and for a group of physicians the fee is negotiated. Other valuation reports range from (\$15,000 - \$35,000) and are structured for the business owners to utilize for loans, estate or gift tax purposes or corporate planning. The fee includes five (5) original copies of the report.

***Feasibility Studies and Fairness Opinions*** – Studies center around the question if a merger / acquisition and / or project is both equitable to all parties and will be absorbed into the ongoing overall business community. In addition, the analysis examines if the new or proposed project will yield a positive cash flow to its owners. These reports are almost always prepared on a flat fee basis and are structured for the business owner to use the report's output with a financial institution to obtain the necessary financing for their proposed project. The fee includes multiple originals in order for the client / developer to work with several financial institutions at the same time.

***Litigation Support*** – Studies here are prepared for Attorneys and Law Firms on an hourly basis, and range from small personal injury reports (\$2,500) to larger and more complex “Daubert” studies that are usually associated with significant business and institutional corporate litigation wherein the fees charged can range into tens of thousands of dollars, based upon a business litigation rate of \$300, per hour. The fee includes multiple originals to the Law Firm.

***Business Plan Presentations*** – Reports are usually prepared on a flat fee basis and are structured for the business owner to obtain the necessary financing they are seeking in order to either launch their company and/or enable it to grow. The fee includes fifteen (15) original copies in order for the company to spread their word to a significant number of people at the same time.

## ITEM 5: FEES AND COMPENSATION

The specific manner in which fees are charged is established in the client's written agreement with LFEAS. All fees are subject to negotiation however, a minimum annual fee of \$3,000 may be imposed for services. The factors considered are the type of service, size of assets under advisement, and amount of time required to deliver / complete the required service.

### *Pension Consulting Fees:*

#### PORTFOLIO BALANCES

<u>Assets Under Advisement</u>	<u>Annual Fee</u>
0-\$3,000,000	1.0%
\$3,000,001-\$5,000,000	0.85%
Over \$5,000,001	0.75%

Fees are billed quarterly and payable in advance. Subsequent quarterly payments are due and will be assessed on the first day of each calendar quarter based on the sum of the market (net asset) value of all accounts funds under management. This value is calculated as of the close of business on the last business day of the preceding quarter. However, it may vary based on the custodial statements received by LFEAS at the end of the quarter. Should assets be deposited after the inception of a quarter and subsequently withdrawn prior to the end of the same quarter, the fee will be prorated based on the number of days the assets were held in the account during the quarter. For valuation purposes, the assets will be treated as if they were held in the account at the end of the quarter.

*Financial Planning and Consulting* fees will be charged in one or both of two ways:

1. As a fixed fee, typically a minimum of \$3,000 depending on the nature and complexity of each client's circumstances. Up to 50% of this fee may be due upon signing the financial planning or consulting agreement, with the balance due upon presentation of the financial plan or consulting work to the client.
2. On an hourly basis, ranging from \$200 - \$500 per hour, depending on the nature and complexity of each client's circumstances. If appropriate, an estimate for total hours may be determined at the start of the advisory relationship. Up to 50% of the estimated fee may be due upon signing the advisory agreement, with the balance (based on actual hours) due upon presentation of the plan to the client.

LFEAS's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of

and in addition to LFEAS's fee, and LFEAS shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that LFEAS considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

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

LFEAS does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

## **ITEMS 7: TYPES OF CLIENTS**

LFEAS provides advisory services to institutions, other tax exempt organizations, individuals, families, businesses, trusts, estates, charitable institutions, pension and profit sharing plans, and other organizations. There are no minimum asset or income requirements to be a LFEAS client.

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

LFEAS reminds clients that investing in securities involves risk of loss that they must be prepared to bear.

In providing its financial planning services, LFEAS looks to the long-term. Accordingly, in an effort to determine investment strategies and devise an economic or financial plan that, according to the advisors' judgment, are best suited to fit the Client's needs, LFEAS will consult with the client to obtain detailed financial information and other pertinent data. After LFEAS evaluates the Client's financial needs, the advisor will design investment and risk management strategies to help the Client achieve his or her financial goals.

## **ITEM 9: DISCIPLINARY INFORMATION**

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the registered investment advisor or the integrity of its management. Neither LFEAS, its principals, nor its employees have a history of any legal or disciplinary action.

## **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

LFEAS does not engage in any other financial industry activities or third-party affiliations.

Any “outside business activity” has been limited to the following:

LFEAS’ principal, Dr. Lehrer has served on the faculty of New York University (1968 – 1970), and for the period (1984 – 2002) served as an Adjunct Professor of Real Estate and Finance at the University of Houston, Graduate School of Business Administration. He was also an Adjunct Professor of Finance and Economics at the University of Phoenix - Houston Campus from 2005 to 2014.

Additionally, from 2005 to 2017, Dr. Lehrer had served as a member of the Board of Directors of Aztec Oil and Gas a publicly traded organization. Dr. Lehrer has also served as the Senior Economist of the company. In 2017, the company ceased operations and Dr. Lehrer is no longer affiliated with Aztec Oil and Gas.

## **ITEM 11: CODE OF ETHICS**

LFEAS has adopted Written Supervisory Procedures and Code of Ethics which set forth standards of conduct and requires compliance with securities laws.

These Procedures and Code illustrates LFEAS’s high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things.

All supervised persons at LFEAS must acknowledge the terms of the Code of Ethics annually, or as amended.



## **ITEM 12: BROKERAGE PRACTICES**

LFEAS does not accept or receive Soft Dollar Benefits.

LFEAS does not have the authority to determine, without consent of the client, the broker-dealer to be used, nor the commission to be paid to the broker. However, LFEAS does recommend brokers to clients wishing to implement the rendered advice from LFEAS.

Brokers-dealers are selected based on their financial health & integrity, their reputation, the competitiveness and ability to provide the most favorable client trades executions & reasonable pricing on transaction costs, and account fees. The broker-dealers are never recommended based on a financial agreement with LFEAS.

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

LFEAS focuses on providing financial and economic advisory services as described more fully under “*Item 4*” and “*Item 10*” herein. The advice given will include either the recommendation of quarterly or semi-annual reviews/updates. It would be the client's responsibility to initiate additional reviews as may be needed.

Certain financial or economic planning / consulting services are solely provided on an hourly or flat fee basis. In these instances, clients will only receive reports at the time of the plan presentation or if engaged for follow-up services.

In any event, terms and frequency of review will be clearly outlined within the terms of the advisory agreement with the client.

Clients receive standard account statements from investment sponsors and brokerage firms quarterly, monthly and as transactions occur, not from LFEAS.

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

Neither LFEAS nor its related persons, receives any economic benefit, monetary or otherwise, from any other advisor, person, or entity for providing investment advice or any advisory service to our clients.

## **ITEM 15: CUSTODY**

LFEAS never takes custody of clients' accounts or investment assets. Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. LFEAS urges clients to carefully review such statements.

## **ITEM 16: INVESTMENT DISCRETION**

LFEAS does not accept or have any discretionary authority to manage securities accounts on behalf of clients.

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

As a matter of firm policy and practice, LFEAS does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios.

## **ITEM 18: FINANCIAL INFORMATION**

Registered investment advisors are required to provide you with certain financial information or disclosures regarding their financial condition. LFEAS has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of any bankruptcy proceedings.

**Brochure Supplement**  
**(Part 2B of Form ADV)**

***Supervised Persons:***

Dr. Kenneth Eugene Lehrer

***LEHRER***  
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***March 2020***

As of March 31, 2020, this brochure supplement provides information about Dr. Kenneth Eugene Lehrer that supplements the Lehrer Financial & Economic Advisory Services brochure. You should have received a copy of that brochure.

Please contact Dr. Kenneth Eugene Lehrer, Chief Compliance Officer at [drken@lehecoserv.com](mailto:drken@lehecoserv.com) or 713-972-7912, if you did not receive Lehrer Financial & Economic Advisory Services' brochure, or if you have any questions about the contents of this supplement.

### **Education and Business Standards**

LFEAS requires the successful acquisition of a college degree, or demonstrated and successful business experience, or combination of both, and requisite continuing education. Related employees of LFEAS may also be required to have examinations based on specific state examination requirements and continuing education requirements.

### ***Professional Experience***

Dr. Kenneth Eugene Lehrer has been an independent economist and financial consultant since 1980, an established Lehrer Financial & Economic Advisory Services whereby he offers these services.

After a career in the corporate lending division of Bankers Trust Company (New York) he became a manager for the Greek Shipper, Costas Lemos [dec'd]. There, he assisted in a variety of institutional real estate projects in New York, Houston, Denver, Guam, and Europe.

Dr. Lehrer served for approximately twenty (20) years (1984-2002) as an Adjunct Professor of Real Estate and Finance at the University of Houston, Graduate School of Business Administration and served as an Adjunct Professor of Finance and Economics at the University of Phoenix (Houston Division) from 2005 to 2014. Further, he is a speaker at professional seminars throughout the nation.

### ***Education and Licensing***

Dr. Lehrer holds four (4) degrees from New York University: Bachelor of Science (Finance), Master of Business Administration (Banking), Master of Arts (Economics) and a Doctorate in Urban Economics.

Texas State Certified General Real Estate Appraiser  
Texas Real Estate Broker

Passed General Securities (Series 7) exam - (*retired*)  
Passed Texas Uniform Securities (Series 63) exam - (*retired*)

### ***Memberships and Distinctions***

Dr. Lehrer has been listed in all editions of "*Who's Who in America*" since the 45th edition

Dr. Lehrer is a member of the following organizations:

National Association of Business Economists  
American Academy of Economic and Financial Experts  
American Law and Economics Association

Houston Business Economists  
National Forensic Center  
National Association of Forensic Economists  
American Economic Association  
North American Economics and Finance Association  
Southern Economic Association  
Western Economic Association  
International Real Estate Institute and the Finance Club and Money Marketers - *both affiliated with New York University.*

***Disciplinary Information:*** Dr. Lehrer has not had any legal or disciplinary events in his past. LFEAS would be required to disclose additional information for Dr. Lehrer if he had ever been the subject of a bankruptcy petition or ever been found liable in either: (a) an arbitration; or (b) a civil, self-regulatory organization, or administrative proceeding.

***Other Professional Activity:*** LFEAS does not engage in any other financial industry activities or third-party affiliations.

Any “outside business activity” has been limited to the following:

LFEAS’ principal, Dr. Lehrer has served on the faculty of New York University (1968 – 1970), and for the period (1984 – 2002) also served as an Adjunct Professor of Real Estate and Finance at the University of Houston, Graduate School of Business Administration. Since 2003 he has served as an Adjunct Professor of Finance and Economics at the University of Phoenix - Houston Campus.

Additionally, from 2005 to 2017, Dr. Lehrer had served as a member of the Board of Directors of Aztec Oil and Gas a publicly traded organization. Dr. Lehrer has also served as the Senior Economist of the company. In 2017, the company ceased operations and Dr. Lehrer is no longer affiliated with Aztec Oil and Gas.

***Additional Compensation:*** Dr. Lehrer does not receive any additional compensation from non-clients for providing advisory services. All advisory compensation is paid by clients directly to LFEAS.

***Supervision:*** Dr. Kenneth Eugene Lehrer, as Chief Compliance Officer for Lehrer Financial & Economic Advisory Services, conducts and manages all supervisory and compliance obligations. Clients can contact Dr. Kenneth Eugene Lehrer, Chief Compliance Officer directly by calling 713-972-7912 or by emailing drken@lehecoserv.com.