

Rich Advisory Corp.
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This Brochure provides information about the qualifications and business practices of Rich Advisory Corp. If you have any questions about the contents of this Brochure, please contact us at (516) 433-0828 and or richadv@optonline.net. 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.

Rich Advisory Corp 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 Rich Advisory Corp also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 1 – Cover Page

Item 2 – Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated 03/09/2020 is a document prepared according to the SEC’s new 2011 requirements and rules.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Andrew M. Rich, CFP®, Principal of Rich Advisory Corp, at (516) 433-0828 or richadv@optonline.net. Our Brochure is also available upon, and free of charge.

Additional information about Rich Advisory Corp is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with Rich Advisory Corp.

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Item 4 – Advisory Business

Rich Advisory Corp has been a Registered Investment Advisor since November 15, 1994. During this time, Andrew M. Rich, CFP®, has been the only principal of the firm. He holds a Bachelors of Arts from Queens College of the City University of New York, a Master of Science degree in Taxation from Long Island University, and has been a CERTIFIED FINANCIAL PLANNER™ professional since May 1981. Previously, Andrew M. Rich, CFP® was the Principal of AMR Planning Services, Inc. from May 1980 to October 1988, until it was dissolved, then worked as a sole proprietor doing business as Rich Financial Services until Rich Advisory Corp was formed.

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 conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 83,000 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, administered in 10 hours over a two-day period, 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.

Rich Advisory Corp provides Investment Management services on a fee only basis and does not engage in any form of commission compensation.

Our management services are generally limited to individual listed securities, foreign ADR's, U.S. Government Securities, Corporate Debt Securities, Municipal Securities, Certificates of Deposit, Mutual Funds and Exchange Traded Funds (ETF's).

Accounts are designed around the individual goals and objectives of the client, taking into consideration macroeconomic and current investment market conditions, as well as the micro economic factors of individual firms and industries. We also use technical analysis of trends and individual securities. The Advisor generally does not manage accounts that place investment restrictions upon the Advisor.

All assets are managed on a discretionary basis, whereby the Advisor has the authority to determine the securities and the amount of securities to be bought and sold. As of December 31, 2019, client managed assets totaled approximately \$66.2 million.

Item 5 – Fees and Compensation

All fees are subject to negotiation. Investment Management Services are offered for an annual fee of 0.40% to 1.00% of the portfolio value. Under unusual circumstances, higher or lower fees may be charged. Hourly services are currently billed at an hourly rate of \$280/hour.

The specific manner in which fees are charged by Rich Advisory Corp is established in a client's written agreement with Rich Advisory Corp. Rich Advisory Corp will generally bill its fees on a quarterly basis, billed in advance of each calendar quarter. Clients authorize Rich Advisory Corp to directly debit fees from their accounts or may also elect to be billed directly for fees. There may be an additional fee charged for the initial set-up of the portfolio which includes the calculation and the verification of prior cost basis information and/or transfer of assets. This fee is based upon our current per hour service rate, as established in a client's written Asset Management Agreement with Rich Advisory Corp, and agreed upon by the client. Management fees shall be prorated for each capital contribution and withdrawal made during the applicable calendar quarter. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Clients may terminate services at any time with written instruction. Upon termination of any account, the Limited Power of Attorney on the account will be withdrawn, and any prepaid, unearned fees will be promptly refunded. The Advisor may charge a fee for hourly services for work requested by the client beyond the scope of normal termination (as previously defined) at the hourly service rate and agreed upon by the client.

Rich Advisory Corp'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 and brokers, such as custodial fees, early redemption fees, 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 (ETF's) 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 Rich Advisory Corp's fee. *Rich Advisory Corp shall not receive any portion of these commissions, fees, and costs.*

Item 12 further describes the factors that Rich Advisory Corp considers in selecting or recommending broker dealers for client transactions and determining the reasonableness of their compensation.

Item 6 – Performance-Based Fees and Side-By-Side Management

Rich Advisory Corp 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).

Item 7 – Types of Clients

Rich Advisory Corp provides Investment Management Services to individuals, high net worth individuals, pension and profit-sharing plans, trust, estates, corporations and other business entities.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Individual stocks are chosen through research, using a bottoms up approach, evaluating company fundamentals, while applying technical analysis based on current market conditions to determine short and long term trends, support and resistance areas, as well as to set buy & sell prices for those equities within the context of greater overall economic views and trends. Emphasis is placed on valuation and dividends and/or income.

The main sources of information used by Rich Advisory Corp for fundamental and technical analysis includes: financial newspapers and databases, research materials prepared by others, networking with other advisors, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company guidance.

Our investment strategy is a long-term buy/hold view, however securities are sold as deemed appropriate within this overall strategy. Market risk is minimized through small purchases/injections into the market, buying individual equities at what we have deemed to be a 'value' price, and when appropriate, equities with a dividend to provide additional downside protection.

Mutual funds are chosen across multiple firms, based on their proven area of expertise, and 'no-load' and 'no-transaction' fee funds will be used, when appropriate, to help minimize costs and maximize client returns. As institutional investors, utilizing the array of funds offered by Schwab Advisor, we are open to a larger choice of funds that do not pass load or commission charges to clients and investments will benefit from this cost savings.

When appropriate, individual bonds, Certificates of Deposits, and U.S. Government Securities are used as part of both income generation and risk minimization strategies.

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

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 Rich Advisory Corp or the integrity of Rich Advisory Corp's management. Rich Advisory Corp has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Rich Advisory Corp no longer provides individual tax preparation as an additional business as of January 1, 2019.

Item 11 – Code of Ethics

Rich Advisory Corp has adopted a Code of Ethics for all supervised persons of the firm describing its 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 conflicts of interests, 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 Rich Advisory Corp, must acknowledge the terms of the Code of Ethics annually, or as amended.

The Code Of Ethics of Rich Advisory Corp specifically requires the advisor to act in the client's best interest in regards to brokerage activity, execution and receipt of soft dollars. Rich Advisory Corp will not recommend to clients that they buy or sell securities or an investment product in which the advisor or related person has a financial interest.

Rich Advisory Corp's supervised persons (employees and persons associated with Rich Advisory Corp) are required to follow Rich Advisory Corp's Code of Ethics. Subject to satisfying this policy and applicable laws, officers and employees of Rich Advisory Corp and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Rich Advisory Corp's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Rich Advisory Corp will 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. All employees are supervised in respect to their personal securities transactions and holdings and are prohibited to sell to or purchase from a client a security or other property. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Rich Advisory Corp and its clients.

As such, the advisor frequently recommends securities which clients may purchase and the advisor may own. These are publicly traded stocks, bonds and mutual funds. The advisor avoids all conflicts in respect to its trading practices by treating his own accounts in a similar manner as clients and paying all fees and commissions to Schwab based on the Schwab's pricing schedule to the firm. The advisor will not place himself, or a supervised person ahead of clients in terms of trade execution. On occasion, the advisor aggregates its brokerage orders for its own accounts or those of a supervised person with those of clients.

Once an account is reviewed, the advisor usually trades in the master account for all clients purchasing that security for the day. All clients, including the employees of Rich Advisory Corp, will pay the average price for the security. In certain cases where there is

above normal market volatility and price fluctuation, the adviser will trade in individual accounts in order to obtain real time pricing.

Rich Advisory Corp's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Andrew M. Rich, CFP®.

Item 12 – Brokerage Practices

Rich Advisory Corp may determine which brokerage firm must be used. Not all Advisors require their clients to use a specific brokerage firm.

At this time, Rich Advisory Corp has selected Charles Schwab because of numerous factors including; superior service, low equity and fixed income rates, low cost availability of a large selection of mutual funds, strict regulatory compliance and research available through Schwab Advisor Services. Additionally, Schwab's technology and electronic trading platform allow Rich Advisory Corp and Schwab to act more efficiently with lower commission rates passed onto clients. Although, other brokerage firms may, in fact have lower trading costs than Schwab, commission rates will be deemed to be reasonable as long as they are within industry standards for advisor trading platforms, and many other factors are considered in the overall selection of a brokerage firm, of which trading costs are only one. Rich Advisory Corp has determined that based on all the aforementioned factors, that at this time, Charles Schwab is the best overall choice among brokerage firms and within industry standards to serve its clients.

The Advisor has negotiated with Charles Schwab regarding commission rates that apply to trading activity. However, the decision about those rates, are in fact, that of Charles Schwab. The Advisor is not compensated by any fees and commissions paid by the client to Charles Schwab.

As part of the services provided by Charles Schwab, the Advisor receives access to both proprietary research by Schwab in connection to individual securities, markets, and industries, as well as, research provided by other firms in these areas. This research is used in the review process of positions currently held in client accounts as well as in the review process of potential securities to be purchased for clients. There is no additional cost for these services to clients, and the research provided, benefits all clients of Rich Advisory Corp. Additionally, the Advisor does not receive any compensation, including other "soft dollars", such as gift, trips or client referrals from Charles Schwab.

Item 13 – Review of Accounts

All accounts are reviewed on a periodic basis but never less than two months. Accounts are also reviewed when investments mature. Factors for frequency of reviews include size, available cash, and individual client needs. Accounts are additionally reviewed to take advantage of buying opportunities in the investment markets or to reduce areas of risk as deemed necessary by the Advisor.

Clients receive monthly brokerage statements from Charles Schwab regarding their security holdings and transactions. Additionally, all client accounts are monitored by the advisor by use of Portfolio Center, a Portfolio Management system. Clients receive, from Rich Advisory Corp, a quarterly portfolio statement, copies of all bills specifically disclosing how quarterly fees were charged, and any other supplemental reports deemed by the Advisor to be helpful to clients.

Item 15 describes the Custody of client accounts and reports provided by Charles Schwab.

Item 14 – *Client* Referrals and Other Compensation

Rich Advisory Corp does not directly or indirectly compensate any person for client referrals.

Item 15 – Custody

Clients should receive monthly brokerage statements from Charles Schwab, the custodian that holds and maintains the client's investment assets. These documents may be obtained via mail or electronically, as per client election, and established with Charles Schwab. Rich Advisory Corp urges you to carefully review such statements and compare such official custodial records to the account statements that we provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

Rich Advisory Corp usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity of the securities as well the amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in

a manner consistent with the understood investment objectives for the particular client account.

When selecting securities and determining amounts, Rich Advisory Corp observes the understood investment policies of the clients for which it advises.

Item 17 – Voting *Client* Securities

It is the policy of Rich Advisory Corp to vote all proxy and proxy proposals of all mutual funds of which we hold positions. It is our responsibility to vote shares on behalf of our clients and to vote all proxies in a manner consistent with the best interest of our clients. Clients may obtain a copy of Rich Advisory Corp’s complete proxy voting policies and procedures upon request. Clients may also obtain information from Rich Advisory Corp about how Rich Advisory Corp voted any proxies on behalf of their account(s).

Item 18 – Financial Information

Registered Investment Advisors are required in this Item to provide you with certain financial information or disclosures about Rich Advisory Corp’s financial condition. Rich Advisory Corp has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Item 19 – Requirements for State-Registered Advisors

Rich Advisory Corp is not a State Registered Investment Advisor at this time, and therefore has no information applicable to this Item. However, we maintain coordination registration with New York State.