



**Form ADV Part 2A – Firm Brochure**

**Novem Group**

CRD #158964

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*This document provides information about Novem Group. Please contact Amanda R. Abdoo, Chief Compliance Officer of Novem Group, if you have any questions on the contents of this document*

*Novem Group, is an SEC-Registered Investment Adviser and is notice-filed in the following states: AZ, CA, CO, DC, FL, GA, IL, MA, MD, NC, NE, NH, NJ, NY, OH, PA, SC, TX, UT, VA. Additional information on Novem Group is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The information in this brochure has not been approved or verified by the SEC or by any state securities authority.*

**Item 2: Material Changes**

Novem Group has no material changes to report since the last annual ADV amendment filing on 3/19/2020.

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## **Item 4: Advisory Business**

### **A. Firm Description**

Novem Group is organized as a corporation in the state of New York. The date of inception is August of 2011 and the principal owner is Robert J. Bartolotta.

### **B. Types of Advisory Services**

Novem Group offers the following services to its advisory clients:

#### **Investment Supervisory Services**

Includes ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. Novem Group's Investment Policy Statement outlines the client's current situation and allows the representative to construct a plan to aid in the selection of a portfolio to correspond with that client's risk tolerance, time horizon, and investment objectives. Additional services include, but are not limited to, determining risk tolerance, developing investment strategies and asset allocations, and regular monitoring of accounts and portfolios.

The current investments of each client are evaluated with respect to the client's risk tolerance and time horizon. Discretionary authority may be requested from clients in order to select securities and execute transactions without permission from the client beforehand. The client's risk tolerance, time horizon, and investment objectives are determined by the Investment Policy Statement within the Investment Advisory Contract. Representatives use tools and programs, such as Riskalyze and Morningstar Investment Services, to determine a client's risk tolerance and run proposals.

#### **Financial Planning**

Financial planning may include, but is not limited to, investment planning, retirement planning, college planning, debt/credit planning, discussing tax concerns, and evaluating life insurance and assets outside of the management of the representative. The services and fee structures, if applicable, are outlined in Novem Group's Advisory Services Agreement. Available fee structures include a flat fee (dollar amount or percentage of assets), an hourly rate, or a tiered fee schedule with a floating flat rate percentage based on an account/portfolio value. See Novem Group's Advisory Services Agreement for more information.

#### **Selection of Other Advisers**

Novem Group may direct clients to third party money managers and this relationship will be disclosed in the contract between Novem Group and the third party. Novem Group will be compensated via a fee share from the representatives to which it directs those clients. The fees shared will not exceed any limit imposed by any regulatory agency. Before selecting other advisers for clients, Novem Group will ensure the other adviser is properly licensed or registered if needed.

## Services Limited to Specific Types of Investments

Novem Group limits its investment advice and money management to mutual funds, ETFs, equities, bonds, fixed income, debt securities, options, REITs, and insurance products including annuities. Novem Group may use other securities to help diversify a portfolio.

### C. Client Tailored Services and Client Imposed Restrictions

Novem Group offers the same services to all its clients; however, specific client financial plans and their implementation are dependent upon the client's Investment Policy Statement, which outlines each client's current situation. Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs; however, if the restrictions prevent Novem Group or its representatives from properly servicing the account, or if the restrictions require Novem Group to deviate from its standard services, Novem Group reserves the right to end the relationship.

### D. Wrap Fee Program

A wrap fee program is an investment program where the investor pays one stated fee that includes all management fees, transaction costs, fund expenses, and any other administrative fees. Novem Group sponsors a wrap fee program and offers both non-wrap and wrap portfolio management. Please refer to Novem Group's Wrap Fee Brochure for more information.

### E. Assets Under Management

As of 3/19/2020, Novem Group has the following assets under management:

Total Discretionary	Total Non-Discretionary	Total Assets Under Management
\$522,666,915	\$210,919,031	\$733,585,946

## Item 5: Fees and Compensation

### A. Fee Schedule and Types of Fees

#### Maximum Fee Schedule

Total Assets Under Management	Maximum Annual Fee
Up to \$250,000	2.50%
\$250,001 - \$500,000	2.25%
\$500,001 - \$1,000,000	2.00%
\$1,000,001 - \$5,000,000	1.75%
Over \$5,000,000	1.50%

These fees are negotiable depending upon the needs of the client and complexity of the situation, and the actual fee is indicated on the client's Investment Advisory Contract. Fees are paid quarterly in advance or in arrears, and clients may terminate their contracts with written notice at any time. Refunds are given on a pro-rated basis if possible and are based on the number of days remaining in a quarter at the point of termination. This may not be possible with outgoing transfers and will be reviewed on a case-by-case basis. A client may terminate their contract, without penalty and for a full refund, within 5 business days of signing the contract.

## **Types of Fees**

Available fee structures for financial planning include a flat fee (dollar amount or percentage of assets), an hourly rate, or a tiered fee schedule with a floating flat rate percentage based on an account/portfolio value. The type of fee structure depends upon the complexity of the situation and the needs of the client. The fees are negotiable, and the actual fee is indicated on the client's Advisory Services Agreement.

Novem Group may direct clients to third party money managers and this relationship will be disclosed in the contract between Novem Group and the third party. Novem Group will be compensated via a fee share from the representatives to which it directs those clients. The fees shared will not exceed any limit imposed by any regulatory agency. These fees are negotiable depending upon the needs of the client and complexity of the situation. Fees are paid quarterly in advance or in arrears, and clients may terminate their contracts with written notice at any time.

### **B. Payment of Fees**

Advisory fees are withdrawn directly from the client's account or invoiced to the client with client written authorization found on the Investment Advisory Contract. Fees are paid quarterly in advance or in arrears.

Financial planning fees are invoiced to the client with client written authorization found on the Advisory Services Agreement.

### **C. Clients are Responsible for Third Party Fees**

Clients are responsible for the payment of all third-party fees (e.g. custodial/vendor fees, brokerage fees, mutual funds fee, transaction fees, etc.). These fees are separate and distinct from the fees charged by Novem Group and its representatives.

### **D. Prepayment of Fees**

Novem Group collects fees in advance or in arrears. If possible and as requested by the client, fees that were collected in advance will be refunded based on the prorated amount of work completed at the point of termination and/or the total days left in the billing period once the contract has been terminated. Any fee owed to the client will be returned to the client by check or deposited in their investment account, depending on how the original fee was collected and if it's determined to be possible.

### **E. Outside Compensation for the Sale of Securities to Clients**

#### **a. Conflict of Interest**

Novem Group and its representatives will accept compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of funds to its clients. This presents a conflict of interest and gives the representative and Novem Group an incentive to recommend products based on the compensation received. When recommending the sale of securities or product for which Novem Group or its representatives receive compensation, Novem Group will document the conflict of interest in the client file and inform the client. Novem Group and its representatives will keep the client's best interest in mind.

#### **b. Advisory Fees in Addition to Commissions/Markups**

Advisory fees that are charged to clients are not reduced to offset the commissions or markups on securities or investment products recommended to clients.

## **Item 6: Performance-Based Fees and Side-by-Side Management**

Novem Group does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation on the assets of a client.

## **Item 7: Types of Clients**

Novem Group provides investment advice and/or supervisory services to the following types of clients:

- Individuals
- High net worth individuals
- Pension plans and profit-sharing plans
- Charitable organizations
- State or municipal government entities
- Other Investment Advisers

## **Item 8: Methods of Analysis and Investment Strategies**

### **A. Methods of Analysis**

**Fundamental analysis** - Involves the analysis of a company's financial statements, financial health, and/or the analysis of management or competitive advantages, etc. to attempt to determine a company's value and expected future earnings. This strategy may encourage trading in stocks that are undervalued. The risk assumed is that the market will fail to reach the expectation of the stock's perceived value.

**Cyclical analysis** - Involves the analysis of business cycles to attempt to determine favorable conditions for buying/selling a security. It assumes the markets react in cyclical patterns which, once identified, can be leveraged to provide positive performance. The risks associated with this strategy include that the markets do not always repeat cyclical patterns and if too many investors begin to implement it, the cycles may change.

**Technical analysis** - Involves the analysis of statistics generated by market activity to identify patterns. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify the patterns to suggest future activity. The risks associated with this strategy include that if investors begin to use similar tools and follow the same concepts, it may lead to the prices moving in the predicted direction.

### **B. Investment Strategies**

Novem Group uses long-term trading, short-term trading, and options trading. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear. Long-term trading is designed to capture market rates of both return and risk. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs. Short-term trading and options trading generally hold greater risk than long-term trading.

## **Item 9: Disciplinary Information**

There are no criminal or civil actions to report. There are no administrative proceedings to report. There are no self-regulatory organization proceedings to report.

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

### **A. Registration as a Broker-Dealer or a Broker-Dealer Representative or Dual-Affiliation as an Investment Adviser Representative**

Investment Adviser Representatives of Novem Group may also be Registered Representatives of American Portfolios Financial Services, Inc. and/or Investment Adviser Representatives of American Portfolios Advisors, Inc. Please refer to your representative's Form ADV Part 2B (Individual Disclosure Brochure) and the next paragraph for additional information.

### **B. Registration Relationships Material to this Advisory Business**

Investment Adviser Representatives of Novem Group may also be Registered Representatives of American Portfolios Financial Services, Inc., Investment Adviser Representatives of American Portfolios Advisors, Inc., and/or licensed insurance agents. From time to time, they will offer clients advice or products from these activities. Clients should be aware that these services pay a commission and may involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a Registered Investment Adviser. Novem Group and its representatives always act in the best interest of the client. Clients are in no way required to utilize the services of a representative of Novem Group in their outside capacities or outside business activities. Please refer to your representative's Form ADV Part 2B (Individual Disclosure Brochure) for additional information.

### **C. Selection of Other Advisers or Managers**

Novem Group may direct clients to third party money managers and this relationship will be disclosed in the contract between Novem Group and the third party. Novem Group will be compensated via a fee share from the representatives to which it directs those clients. The fees shared will not exceed any limit imposed by any regulatory agency. These fees are negotiable depending upon the needs of the client and complexity of the situation. Fees are paid quarterly in advance or in arrears, and clients may terminate their contracts with written notice at any time.

## **Item 11: Code of Ethics, Participation/Interest in Client Transactions, Personal Trading**

### **A. Code of Ethics**

Novem Group has a written Code of Ethics, which is available upon request to any client or prospect.

### **B. Recommendations Involving Material Financial Interests**

Novem Group does not recommend that clients buy or sell any security in which a related person to Novem Group or that Novem Group has a material financial interest in.

### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of Novem Group may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity to buy or sell the same securities before or after recommending them to clients, which may result in a profit from the recommendation provided to the client. Such transactions may create a conflict of interest. Novem Group will document any transaction that may be construed as a conflict of interest and will ensure client business is transacted before the representative's business when the same securities are being bought or sold.



## **Item 12: Brokerage Practices**

### **A. Factors Used to Select Custodians**

The following factors are used when Novem Group selects a custodian:

- Capability to execute, clear, and settle trades or to facilitate this service
- Capability to facilitate timely transfers and payments to and from accounts
- Capability to assist with back office functions, recordkeeping, and client reporting
- Availability of investment research and tools to assist in making investment decisions
- Quality of service
- Competitiveness of the price of services and willingness to negotiate the price
- Reputation, financial strength, and stability
- Availability of educational conferences and events
- Consulting on technology, compliance, legal, and practice management

### **B. Research and Soft-Dollar Benefits**

Novem Group receives research, products or other services from a broker/dealer or other third parties in connection with client securities transactions (soft-dollar benefits). There is no minimum client number or dollar amount that Novem Group must meet in order to receive free research from a broker/dealer or other third parties. There is no incentive for Novem Group to direct clients to a particular broker/dealer or third parties who offer the same services; however, because Novem Group does not have to produce or pay for services or products it has an incentive to choose a custodian that provides those services based on its interests. Novem Group and its representatives always acts in the best interest of the client. Novem Group is independently owned and operated and is not affiliated with a broker/dealer or other third party or custodian.

Novem Group participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade"), member FINRA/SIPC. TD Ameritrade is an independent and unaffiliated SEC-registered broker-dealer. TD Ameritrade offers to independent Investment Advisers services which include custody of securities, trade execution, clearance and settlement of transactions. Novem Group receives some benefits from TD Ameritrade through its participation in the program (see Item 14).

Novem Group receives no referrals from a broker/dealer or other third party in exchange for using that broker/dealer or third party.

Novem Group will not allow clients to direct Novem Group to use a specific broker/dealer to execute transactions. Clients must use the custodian recommended by Novem Group and its representatives.

### **C. Block Trading**

Novem Group maintains the ability to block trade across accounts. Block trading may benefit a large group of clients by providing Novem Group with the ability to purchase larger blocks, which may result in a lower transaction cost to the client.

### **D. Investment Discretion**

Novem Group has discretionary authority to determine securities and the amount of securities to be bought or sold in a client's account. This is indicated on the Novem Group Investment Advisory Contract and authorized by client's initials.

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

### **A. Frequency and Nature of Periodic Reviews**

Accounts are reviewed at least semi-annually by Amanda R. Abdoo, Chief Compliance Officer of Novem Group, with regards to the information indicated on the Investment Advisory Contract. Transactions are captured and reviewed daily through STARS, a platform of American Portfolios Financial Services, Inc., by the Investment Adviser Representative's Principal, and if unavailable, client statements are reviewed.

### **B. Factors that will Trigger a Non-Periodic Review**

Non-periodic reviews may be triggered by material market, economic, or political events, or by changes in the client's financial situation, such as retirement, termination of employment, inheritance, etc.

### **C. Regular Reports to Clients**

Each client will receive a report at least quarterly from the custodian. This report details the client's account(s), including assets held, asset value, and transaction history.

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

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients**

As disclosed under Item 11 above, Novem Group participates in TD Ameritrade's institutional customer program and Novem Group may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between Novem Group's participation in the program and the investment advice it gives to its clients, although Novem Group receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. 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 a trading desk; access to block trading (which provides the ability to aggregate securities transactions for execution then allocate the appropriate shares to client accounts; access to an 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 discounts on compliance, marketing, research, technology, and practice management products or services provided to Novem Group by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by Novem Group's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit Novem Group but may not benefit its client accounts. These products or services may assist Novem Group in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Novem Group manage and further develop its business enterprise. The benefits received by Novem Group 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, Novem Group endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Novem Group or its related persons in and of itself creates a potential conflict of interest and may indirectly influence Novem Group's choice of TD Ameritrade for custody and brokerage services. Novem Group receives from TD Ameritrade certain additional economic benefits ("Additional Services") that may or may not be offered to any other independent Investment Advisers participating in the program. Specifically, the Additional Services include eMoney, financial planning software, Riskalyze, software that allows representatives to capture a quantitative measurement of client risk tolerance, and S&P Global Market Intelligence, a research and data analytics provider. TD Ameritrade provides the Additional Services to Novem Group in its sole discretion and at its own expense, and Novem Group does not pay any fees to TD Ameritrade for the Additional Services. Novem Group and TD Ameritrade have entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the Additional Services.

Novem Group's receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to Novem Group, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, Novem Group's client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with Novem Group, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, Novem Group may have an incentive to recommend to its clients that the assets under management by Novem Group be held in custody by TD Ameritrade and to place transactions for client accounts with TD Ameritrade. Novem Group's receipt of Additional Services does not diminish its duty to act in the best interest of its clients, including to seek best execution of trades for client accounts.

#### **B. Compensation to Solicitors for Client Referrals**

Novem Group may compensate non-advisory personnel for client referrals and a Solicitor's Agreement will be provided when this occurs. Novem Group requires clients to sign the Notification of Solicitor's Agreement form to acknowledge receipt of the Agreement in place.

#### **Item 15: Custody**

Novem Group, with client written authority, has limited custody of client's assets through direct fee deduction of fees only. If the client chooses to be billed directly to the custodian, Novem Group would have constructive custody over that account and will have written authority from the client to do so. Clients will receive account statements and they should be carefully reviewed for accuracy.

#### **Item 16: Investment Discretion**

For the client accounts where Novem Group provides ongoing supervision, the client has given Novem Group written discretionary authority over the accounts with respect to the securities to be bought or sold and the amount of securities to be bought or sold. The details of this relationship are fully disclosed to the client before any advisory relationship has begun and this is indicated in the Investment Advisory Contract.

#### **Item 17: Voting Client Securities**

Novem Group will not ask for, nor accept, voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

#### **Item 18: Financial Information**

##### **A. Balance Sheet and Financial Conditions**

Novem Group does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore does not need to include a balance sheet with this brochure.

Neither Novem Group nor any of its management have any financial conditions that may reasonably impair the ability to meet contractual commitments to its clients.

Novem Group has not been the subject of a bankruptcy petition in the last ten years.



## **Privacy Policy**

Investment Advisers are required by law to inform their clients of their policies regarding privacy of client information. We are bound by professional standards of confidentiality that are more stringent than those required by law. Federal law gives customers the right to limit some but not all sharing of personal information, and requires us to describe how we collect, share, and protect your personal information.

### **Types of Nonpublic Personal Information (NPI) We Collect**

We collect NPI about you that is either provided to us by you or obtained by us with your authorization. This can include (but is not limited to) your social security number, date of birth, banking information, account numbers, and balances, sources of income, credit card numbers, etc.

### **Parties to Whom We Disclose Information**

All Investment Advisers may need to share personal information to run their everyday business. These are the typical reasons we may share your personal information:

- For everyday business purposes such as to process your transactions, to maintain your accounts, or to respond to court orders or legal investigations;
- For our marketing and to offer products and services to you, or for joint marketing with other financial companies;
- For our affiliates' everyday business purposes such as information about your transactions

### **Protecting the Confidentiality of Current and Former Client's Information**

To protect your personal information from unauthorized access and use, we use security measures that comply with federal law, including computer safeguards, and secured files and offices.

### **Federal Law Gives You the Right to Limit Sharing (Opting-Out)**

Federal law allows you the right to limit the sharing of your NPI by "opting-out" of the following:

- Sharing for affiliates' everyday business purposes information about your creditworthiness;
- Sharing with affiliates who use your information to market to you;

State laws and individual companies may give you additional rights to limit sharing.

### **Definitions**

Affiliates – Companies related by common ownership or control that can be financial or non-financial

Non-Affiliates – Companies not related by common ownership or control that can be financial or non-financial

Joint Marketing – A formal agreement between non-affiliated financial companies that market financial products or services to you together

**Please contact your Investment Adviser Representative if you would like to opt-out of sharing your non-public information or if you have any questions. Your privacy, our professional ethics, and the ability to provide you with financial services is very important to us.**