

**Item 1 – Cover Page**

**Kimelman & Baird, LLC**

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New York, NY 10022

212-686-0021

December 31, 2019

This Brochure provides information about the qualifications and business practices of Kimelman & Baird, LLC (“K&B”). If you have any questions about the contents of this Brochure, please contact Ms. Pat Kimelman at 212-686-0021 or by email at [pkimelman@kimelmanbaird.com](mailto:pkimelman@kimelmanbaird.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.

K&B is a registered investment adviser, registered with the Securities Exchange Commission. Registration as an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

K&B does not maintain a website.

Additional information about K&B also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

### **Summary of Material Changes**

Kimelman & Baird’s brochure has not been amended since the last filing date March 27, 2019.

Our Brochure may be requested by contacting Pat Kimelman at 212-686-0021 or [pkimelman@kimelmanbaird.com](mailto:pkimelman@kimelmanbaird.com). Additional information about K&B is also available via the SEC’s website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## **Item 4 – Advisory Business**

K&B was founded in November 1966 as M. Kimelman & Co. In April of 1995 the firm changed both its name and legal status to become Kimelman & Baird, LLC. Michael Kimelman and Sheila Baird are founding partners and current members.

**Discretionary Asset Management Services.** K&B provides investment advisory services for individual and institutional clients through separately managed accounts, providing continuous and ongoing supervision over the specified accounts. K&B enters into investment advisory contracts with individuals, families, trusts, charitable and institutional investors providing personalized discretionary asset management services. In establishing such accounts, K&B reviews with the clients factors it deems necessary to enable K&B to provide the kind of advice the client has requested, taking into account the client's investment goals, financial needs, tax status and financial resources. The client must appoint K&B as the investment adviser of record on the account, which is held by qualified custodian(s) under the client name. The custodian maintains physical custody of all funds and securities of the account, and the client retains all rights of ownership e.g. right to withdraw securities or cash, exercise proxy voting and receive transaction confirmations.

K&B obtains certain information from client to determine their financial situation and investment objectives. Client will be responsible for notifying K&B of any updates regarding the financial situation, risk tolerance or investment objectives and whether client wishes to impose or modify existing investment restrictions. K&B is always reasonably available to consult with client on the status of the account.

Client has up to five (5) business days after signing an Investment Advisory Agreement to terminate the same without penalty or recourse. Either K&B or client may terminate an investment advisory agreement upon ten (10) business days prior written notice from either party to the other, or at such time as they may otherwise mutually agree upon in writing.

Assets Under Management: As of December 31, 2019 K&B had discretionary assets under management of \$998,000,000 in 435 accounts.

*Asset Based Fee Program "ABFP"* - Clients are charged a quarterly fee for investment advisory services. There are no transaction costs. ABFP fees may be higher than if the client paid for the transaction costs separately. The maximum annual ABFP fee is 1.50% of the market value of the assets under management.

*Asset and Transaction Based Fee Program "ATBFP"* - Clients are charged a quarterly fee for investment advisory services, as well as transactional costs. The maximum annual ATBFP is 1.25% of the market value of the assets under management plus commission charges.

**Financial Planning Service.** As part of our services that we provide, K&B will also offer a suite of digitally generated technology solutions offered by FinLife Partners (“FinLife”). This is a financial guidance service that is a comprehensive evaluation of the client’s current and future financial state using personal financial inputs and personal considerations about risk and life goals. In choosing this service the client will receive a report that provides a detailed financial plan and online Guidance Portal designed to assist in achieving their personal financial goals. FinLife is not in any way involved, nor responsible for the individual portfolio management or financial counseling provided.

Client is under no obligation to receive financial guidance services through the FinLife Partners’ platform.

With respect to the use of FinLife Partner’s platform, the fee is separate from (and in addition to) fees in either ABFP or ATBFP.

## **Item 5 – Fees and Compensation**

K&B offers investment advisory services for a percentage of assets under management. Fees are subject to negotiation on a case by case basis and are based on a percentage of asset value. Fees are billed quarterly in advance, based upon asset value as of the last day of the immediately preceding quarter. Investment advisory accounts usually must have a minimum dollar value of \$500,000. Under special circumstances, accounts under \$500,000 are accepted. Client’s investment philosophy must be consistent with that of K&B.

### **Fee and Compensation Schedules**

#### **Asset Based Fee Program**

Under the asset based fee program, the client pays a single fee to K&B, which covers K&B’s investment advisory services, custody of securities, trade execution, as well as clearance and settlement. ABFP may be higher than if the client paid for the transaction charges separately. The maximum annual fee-only ABFP is 1.50% of the market value of the securities in the account.

#### **Fees for Assets Under Management**

Under \$1,000,000	1.50%
\$1,000,000 - \$5,000,000	1.25%
Over \$5,000,000	1.00%

## Asset and Transactional Based Fee Program

K&B also offers an Asset and Transactional Based Fee Program, in which clients are charged for transactional costs in addition to investment advisory fees. In addition, clients pay transactional charges on each trade.

<u>Fees for Assets Under Management</u>	<u>Equities</u>	<u>Fixed Income and Cash</u>
Under \$1,000,000	1.25%	0.25%
Over \$1,000,00		
First \$5,000,000	1.00%	0.25%
\$5,000,001-10,000,000	0.75%	0.25%
Over \$10,000,000	0.50%	0.25%

### Transaction Charges:

Clients pay brokerage commissions that are subject to negotiation on each transaction. On occasion K&B waives brokerage commission on mutual funds or low-priced securities transactions, where commission charges are minimal. K&B's commission rates are comparable to other firms of similar size in the industry. In addition, fees such as exchange fees, SEC fees and other regulatory fees are passed through at cost for transactions that incur such fees.

Due to the common ownership between the Adviser and K&B broker dealer, K&B accepts transaction-based compensation related to securities purchased/sold in client accounts. This presents a conflict of interest in that it gives supervised persons an incentive to purchase/sell investment products based on compensation received, rather than solely on a client's needs. K&B maintains compliance policies and procedures to ensure that employee compensation programs do not interfere with its fiduciary duty to its clients. Where applicable, K&B does not reduce its advisory fees to offset the transaction-based commissions it receives on trades.

K&B does not engage in principal transactions, therefore it does not receive compensation from mark-ups on transactions.

Accounts under a fee-only program are not charged transaction costs. Whereas, managed accounts pay transaction charges separately, in addition to advisory fees.

## Financial Planning Service

K&B's fee schedule for the Financial Planning Service is 0.25% on the first \$2 million of assets under management (AUM), and 0.15% on the remainder of AUM, with a minimum fee of \$1,500. While it is the general policy of K&B to charge the stated fee, we may under certain circumstances reduce the fee based on the nature of the investment service. These circumstances include the complexity of the client relationship, type of investments managed and other related accounts. K&B pays FinLife Partners a flat fee or percentage for the FinLife technology services. Fees for this service are calculated in accordance with the volume of clients that utilize the service, and therefore clients indirectly contribute to the payment of cost of FinLife services and technology. This presents a conflict of interest since K&B is incentivized to offer financial planning services to clients using the FinLife Partners platform, and if it is able to transition a predetermined percentage of its clients, K&B's FinLife technology implementation fee will be waived. If K&B does not utilize

predetermined threshold volume of services or technology solutions offered by FinLife, then the relationship with FinLife Partners may be terminated due to insufficient revenue generation. By disclosing the conflict, we seek to mitigate the risk that we are solely recommending this service to receive any financial incentives. In choosing to receive the services provided by FinLife there would also be a concurrent level of benefits received.

The fee for using FinLife Partner's platform is separate from (and in addition to) any advisory program offered by K&B and is applicable to all custodied accounts, except for Retirement Accounts covered by Title I of the Employee Retirement Income Security Act of 1974, as amended.

## **Investments in Mutual Funds and ETFs**

Clients with investments that include equity stocks and shares of eligible closed-end funds, open-end funds ("Mutual Funds") and exchange traded funds ("ETFs" and collectively, the "Funds") pay the fees and expenses of the Funds they invest in, such as marketing fees, management fees and redemption fees. These fees and expenses are an additional cost to clients and are not included in the fee amount in your account statements. Clients are urged to read the Funds' prospectus prior to investing.

Accounts in a fee-only program with investments that only include equities typically include all fees and costs (advisory fee and transactional costs).

## **Private Fund**

Daeg Administrative Advisors, LLC an exempt reporting adviser is affiliated with K&B through Michael G. Kimelman, Sheila M. Baird and Scott Kimelman, members of K&B. Daeg Administrative Advisors, LLC is registered to advise one private fund Daeg Partners, L.P. ("Daeg" the "Partnership"), an investment partnership that is privately offered solely to accredited investors.

Daeg Partners, LP pays an administrative fee of 1% per annum of the value of its partnership investment to Daeg Administrative Advisors, LLC and allocates 20% of its net profits to Daeg Capital Management, LLC. Transactions on behalf of Daeg Partners, LP are executed through various broker-dealers, not including K&B and range from \$.03 to \$.05 per share. The client commission rates paid to these broker-dealers is lower than K&B's standard commission schedule paid by advisory clients for execution.

## **ERISA Accounts**

K&B is determined to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986, respectively. ERISA accounts include those established by pension plans, profit sharing plans and 401(k) plans and their trusts, defined benefit plans, defined contribution plans such as 401K and 403(b) plans (Title 1 accounts). Specifically excluded from ERISA qualification are traditional and Roth IRAs, SEP IRA, Savings Incentive Match Plan for Employees (SIMPLE IRAs), and EZ-K plans (Non-Title 1 accounts).

Qualified retirement plans that are subject to Title 1 of ERISA must meet Department of Labor (DOL) 408(b)(2) regulations pertaining to fees and compensation disclosure. Title 1 generally refers to multi-participant qualified retirement plans for which at least one participant is not the owner's spouse. The intent of the regulation is to help plan sponsors fulfill their fiduciary duties and determine the reasonableness of the fees that are charged to their plans. Disclosure of fees and compensation is permissible in the investment management agreement and the Form ADV Part 2.

K&B is subject to specific duties and obligations under ERISA which includes restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, K&B can only charge fees for investment advice about products for which the firm and/or related persons do not receive commissions or 12b-1 fees. Alternatively, K&B can reduce its advisory fee to offset any commissions or 12b-1 fees received. ERISA Rule 408(b)(2) requires full disclosure of K&B's services and compensation and should be read in conjunction with this Form ADV Part 2A and the investment management agreement with K&B.

### **Mutual Funds and Exchange-Traded Funds:**

Generally K&B does not engage in mutual fund transactions or exchange-traded fund transactions; however it may from time to time engage in such transactions.

Mutual funds and exchange traded funds charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to K&B's fee. K&B shall not receive any portion of these commissions, fees, and costs.

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds.

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by clients to K&B.

### **Additional information:**

Advisory fees are assessed quarterly, in advance, and payable on the 15<sup>th</sup> day of the month beginning the quarterly period for which such fees have been incurred. Fees are based upon the aggregate market value of the Account as of the last business day of the preceding calendar quarter. The initial advisory fee shall be payable at the commencement of the calendar quarter following the execution of the advisory agreement and will be calculated on the basis of the aggregate market value of the Account as of the last day of the preceding calendar quarter. When an Account is established during a calendar quarter, advisory fees will not be incurred until the commencement of the subsequent calendar quarter. Where assets are withdrawn from an Account during a calendar quarter the Adviser will not refund prepaid advisory fees on account of such withdrawn assets.

Termination of Account - where an advisory agreement is terminated during the calendar quarter, fees for partial periods are pro-rated. The refund will be calculated by rounding the remaining days left in the quarter to the nearest month. Termination is effective from the time the Adviser receives written notification or such other time as may be mutually agreed upon, subject to the settlement of



transactions in progress and the final refund of advisory fees. There is no penalty charge on termination. A refund check will be issued by K&B within 30 days.

Clients may pay fees in several different ways:

1. K&B fees are deducted automatically on a quarterly basis by National Financial Services, LLC, Fidelity Brokerage Services LLC or other 'qualified' custodian as applicable. K&B sends disclosure statements to clients regarding these automated payments. More information on these types of relationships can be found in *Item 15 – Custody*.
2. There may be instances where fees are paid directly to the firm by the client in a pre-established manner (e.g. check, money order or wire). K&B sends client an invoice detailing the services and a fee calculation of charges due to K&B.

Advisory fees may either be calculated by K&B or the custodian, consequently, the date the advisory fee is charged varies on who calculates the fee. In practice, custodian will calculate all investment advisory fees with very few exceptions.

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

### Performance –Based Fees

Daeg Administrative Advisors, LLC an exempt reporting adviser is affiliated with K&B through Michael G. Kimelman, Sheila M. Baird and Scott Kimelman, all members of K&B. Daeg Administrative Advisors, LLC is registered to advise one private fund Daeg Partners, L.P. ("Daeg" the "Partnership"), an investment partnership that is privately offered solely to accredited investors. Daeg enters into performance based fee arrangements with *qualified clients* as defined by Rule 205-3 of the Adviser's Act. The firm's performance based fee arrangements are calculated on the appreciation of client's assets or performance relative to a specified benchmark, or other mutually agreed upon terms. Select K&B's advisory clients may be solicited to invest in the Partnership.

### Side-by-Side Management

Certain K&B portfolio managers simultaneously manage assets that are charged performance-based fees (for Daeg), and accounts that are charged asset-based fees (for K&B). Frequently, the portfolio managers may invest in similar assets for both entities (Daeg and K&B). This portfolio management relationship is referred to as "side-by-side management".

Performance based fee arrangements create a potential conflict of interest by incentivizing Daeg to invest in assets which may be riskier or more speculative than those under traditional fee arrangements.

The Advisor has adopted policies and procedures to manage conflicts related to side by side management of the private fund and managed accounts to prevent fee-related conflicts from influencing the allocation of investment opportunities among clients. As a fiduciary, the Advisor

places client interest above its own and requires that trading is in compliance with each client's investment objective and that all clients are treated fairly and equitably. The Advisor restricts the ability of portfolio managers to take inconsistent investment positions in each entity account. Further, the Advisor separates the portfolio management function of each entity and prohibits a portfolio manager from discretion over both asset based, and private fund at the same time. The custodian functions of each entity are separated to avoid conflicts in trading practices. The Advisor has established a supervisory review process to provide oversight to the identification and mitigation of relevant potential conflicts arising between its managed accounts and private fund.

However, K&B Advisor has certain conflicts that do exist in instances such as:

- The advisor or its employees are also acting as a broker-dealer and/or securities agent
- The advisor is receiving transaction-based compensation, related to securities purchased/sold on behalf of its clients. This gives supervised persons an incentive to purchase/sell securities based on compensation received, rather than on a client's needs.

## **Item 7 – Types of Clients**

K&B provides portfolio management services to individuals, trusts, estates, charitable institutions, corporations and business entities. If a client's account is a pension or other employee benefit plan governed by ERISA, K&B may be a fiduciary to the plan. In providing services, the standard of care imposed upon us is to act with care, skill, prudence and diligence under the circumstances then prevailing that a prudent person would use in such matters.

For the ATBFP clients, K&B will act as executing broker on a fully disclosed basis with National Financial Services, LLC, on behalf of the client and will execute such transactions for the compensation disclosed in Item 5 above. For the ABFP clients, K&B will utilize the services of Fidelity Brokerage Services as broker dealer. K&B as investment advisor, may transact business in stocks and bonds of every kind and related contracts and options (if specifically permitted) without obtaining specific client consent.

Investment advisory accounts usually have a minimum dollar value of \$500,000. Under special circumstances, accounts under \$500,000 are accepted. Client's investment philosophy must be consistent with that of K&B.

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

K&B uses the following methods of analysis in formulating investment advice:

- Fundamental Analysis
- Technical Analysis

The main sources of information K&B uses include:

- In house due diligence and research on companies
- Annual reports, prospectuses, filings with the SEC
- Company press releases, and company sponsored events
- Inspections of corporate activities
- Financial and trade publications
- Investment seminars/conferences held by financial institutions
- Research materials prepared by others

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. An understanding of the client financial situation, investment goals and objectives, time horizon, portfolio liquidity, and tolerance for risks as well as any investment limitations are considered when diversifying the portfolio. Client grants K&B full discretionary authority over the account, through the custodian broker dealer who holds the account.

The investment strategies used to implement any investment advice given to clients include:

- Long term purchases (securities held at least a year); and
- Short term purchases (securities sold within a year);

### **Risk of Loss**

All investment programs have certain inherent risks that clients should be prepared to bear. Risks vary depending on the nature of the investment, the strategy pursued, the type of instrument used to pursue or give effect to that strategy, the condition and performance of the U.S. and global economies, as well as the performance/financial condition of the company issuing the security. As with all investments, the value of the investment at the time of sale will fluctuate and might be greater or less than the value at the time of purchase. Our investment approach constantly keeps in mind the risk of loss. Primary risks inherent in the types of securities used for client accounts include:

- **Interest-rate Risk:** Fluctuations in interest rates may cause fixed-income prices to fluctuate. For example, when interest rates rise, bond prices may decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.

- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not. Markets for shares of large companies are generally more liquid than markets for shares of small companies.
- **Financial Risk:** Excessive borrowing to finance a company's operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- **Systemic Risk:** Risks related to unnatural events or abrupt changes in governmental policy can increase the volatility of a portfolio beyond the control of the adviser or the ability to forecast unanticipated events.
- **Asset allocation, diversification and rebalancing** do not assume a positive return or protect against loss. Securities markets experience varying degrees of volatility and over time, assets will fluctuate may be worth more or less than the original amount invested.

While Adviser seeks to assess the merits of investing in a particular security based on the perceived risks and potential rewards, there are no assurances that Adviser's assessments will be correct or that subsequent events or company or market changes will not render the assessments incorrect at a later time.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all facts regarding any legal or disciplinary events that would be material to your evaluation of K&B or the integrity of K&B's management. Information applicable to this Item is discussed below:

K&B and Sheila Maureen Baird, K&B's Member and Chief Compliance Officer were the subject of a regulatory action, initiated by the NASD and resolved on July 6, 2000 as an Acceptance, Waiver & Consent and monetary fine in the amount of \$3,500. The principal sanction was civil and administrative penalties related to K&B's failure to establish and implement a continuing education program for the years 1995, 1996 and 1997 including a needs analysis and training program. K&B failed to establish, maintain and enforce written supervisory procedures relating to firm and regulatory elements of continuing education.

K&B and Sheila Maureen Baird, K&B's Member and Chief Compliance Officer were the subject of a regulatory action, initiated by the NASD and resolved on June 13, 2005 as an Acceptance, Waiver & Consent. The principal sanction was civil and administrative penalties and a monetary fine of \$7,000. The fine was levied jointly and severally against the individual and the firm for failure to complete a training needs analysis and develop a written training plan as required by the firm element continuing education requirements.

K&B and Sheila Maureen Baird, K&B's Member and Chief Compliance Officer were the subject of a regulatory action, initiated by the SRO NASD and resolved on December 20, 2006 as an Acceptance, Waiver & Consent and monetary fine in the amount of \$5,000. K&B permitted an individual to act in a capacity that required registration, while his registration status with the NASD was inactive, due to his failure to complete the regulatory element of NASD's continuing education requirement. K&B consented to the described sanction and to the entry of findings; therefore, the firm and CCO were fined jointly and severally.

K&B was the subject of a regulatory action, initiated by the SRO NASD and resolved on February 4, 2010 as an Acceptance, Waiver & Consent, censure and monetary fine in the amount of \$10,000. In violation of MSRB Rules G-27, G-30(b) K&B purchased or sold municipal securities as agent for a customer for a commission or service charge that was in excess of a fair and reasonable amount, taking into consideration all relevant factors, including the availability of the securities involved in the transaction, the expense of executing or filling the customer's order, the value of the services rendered by the broker, dealer or municipal securities dealer, and the amount of any other compensation received or to be received by the broker, dealer, or municipal securities dealer in connection with the transaction. The firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with applicable securities laws, regulations and MSRB rules concerning commissions charged in agency municipal securities transactions.

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

In addition to giving investment advice, K&B is actively engaged in another business. K&B is registered as a broker-dealer under the Securities Exchange Act of 1934. The ATBFP investment advisory clients utilize K&B's brokerage services and also utilize custodial services of K&B's Clearing Agent; accordingly, when combined with K&B's investment advisory services, K&B spends 100% of its time on its investment advisory and brokerage services.

Michael G. Kimelman, Sheila M. Baird and Scott Kimelman, all members of K&B, are also members of Daeg Capital Management, LLC, which, in turn, serves as the General Partner of Daeg Partners, L.P. (the "Partnership"), an investment partnership that is privately offered solely to accredited investors. K&B's clients may be solicited to invest in the Partnership. K&B will only recommend investments in the partnership when the investment is consistent with the client's investment objective, goal, and risk profile. K&B does not charge a separate fee for its services for the client investment in such fund, there is no extra layer of fees to the client. The Partnership seeks to earn long-term capital gains through investments in publicly-traded securities. Also see Item 6 Side-by-Side Management

K&B acts as the broker for transactions in the accounts of its ATBFP clients. Although not all Advisers require their clients to direct brokerage, ATBFP clients of K&B Adviser will generally authorize the Adviser to execute transactions through K&B as introducing broker. K&B will receive and retain a portion of the commission for client trades resulting from the clearing agreement with National Financial Services LLC. By virtue of the common ownership of Adviser and broker dealer, the owners of the Adviser will indirectly receive (through the corresponding ownership with broker dealer) the economic benefits of the commissions. In addition K&B may choose to pay a portion of these commissions as income to its registered representatives, who are also employed by Adviser. As a result of the common ownership and payment of commissions, K&B has a conflict in limiting commissions when executing brokerage transactions for advisory clients. Moreover, due to the common ownership between advisor and broker dealer, there are inherent limitations regarding the negotiation of commission rates for transactions handled by K&B broker dealer.

K&B is registered with the Ontario Securities Commission, Canada as an approved Portfolio Manager.

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

### Code of Ethics Summary

K&B has adopted a Code of Ethics outlining its high standards of business conduct and reinforcing each employee's fiduciary duty to its clients. The Code of Ethics includes provisions for maintaining confidentiality of client information, prohibitions on insider trading, restrictions on the acceptance of material gifts, requirements to report political contributions and business entertainment, and procedures for personal trading, among others. A Code of Ethics will be provided to supervised persons, who will be required to acknowledge receipt in writing. Supervised persons are required to report violations of the Code of Ethics to the chief compliance officer of the firm.

A copy of our Code of Ethics is available to our advisory clients and prospective clients by calling us at (212) 686-0021.

### Affiliate and Employee Personal Securities Transaction Disclosure

K&B or a related person of K&B:

- buys or sells securities that are sold to its clients;
- invests its clients in securities or investment products in which K&B or a related person has some financial interest; and
- often invest its clients in the same securities that its related affiliate Daeg Partners L.P. invests its clients in.

K&B or its associated persons can buy, sell or hold positions for their personal accounts in investment products identical to those recommended to clients. Clients may be invested in the same securities K&B or its associated persons may recommend to, or otherwise purchase. This creates a potential conflict of interest. It is the policy of K&B that all associated persons of the firm must place client interests ahead of their own when implementing personal investments. K&B and its associated persons will not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of employment or association with the firm unless the information is also available to the investment public. No account of K&B or its members or employees will be permitted to receive a more favorable price than that received on the day of execution by investment advisory clients of the firm.

To prevent conflicts of interest, the firm has developed written supervisory procedures that include personal investment and trading policies for its representatives, employees and their immediate family members (collectively, associated persons):

- Associated persons cannot prefer their own interests to that of the client.

- Associated persons cannot purchase or sell any security for their personal accounts prior to implementing transactions for client accounts. This prevents employees from benefiting from transactions placed on behalf of advisory accounts.
- Associated persons cannot buy or sell securities for their personal accounts when those decisions are based on information obtained as a result of their employment, unless that information is also available to the investing public upon reasonable inquiry.
- Associated persons are prohibited from purchasing or selling securities in their personal accounts on companies based on information from any client deemed to be "an insider".
- Associated persons are discouraged from conducting frequent personal trading.

K&B or its affiliate may invest in securities or investment products for clients of K&B in which K&B or an associated person of K&B's has some financial interest. By way of example, Michael Kimelman, one of K&B's principals, serves as the Chairman of the Board of Directors of Igene Biotechnology, Inc. ("Igene") and is also a shareholder thereof. K&B is also a shareholder of Igene. From time to time, K&B and Mr. Kimelman have extended loans to Igene. This creates a conflict of interest. The associated persons are generally prohibited from serving as board members of publically traded companies unless an exception has been granted to the Chief Compliance Officer of K&B.

K&B may invest its clients in the same securities that its related affiliate Daeg Partners, L.P. an investment partnership invests its clients in. This trading practice presents conflicts of interest when managing multiple accounts. Contemporaneous trading positions taken by certain client accounts may dilute or otherwise negatively affect the values, prices or investment strategies associated with positions held by a different client account. Where a portfolio manager plans to place a trade for the same security in different accounts in sequence, a large trade may affect the price of the security. The possibility of depressing or inflating a security's value before the purchase or sale of that same security by another account may provide an incentive to sequence those transactions in such a way as to favor one account over another account. To mitigate this conflict, K&B has adopted policies and procedures where trades in any given security are not executed in the advisory accounts and affiliate Daeg accounts on the same day (unsolicited orders to K&B are exempt). The Compliance Officer at K&B reviews the trading blotter of K&B and Daeg daily, for trades in any common securities, ensuring these are executed on separate days.

K&B 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 provides that employees are required to provide K&B with information as to securities transactions and holdings in their accounts. (For purposes of the policy, an employee's personal account generally includes an account in the name of the employee, his/her spouse, minor children or other dependents residing in the same household for which the employee is a trustee or executor, or which the employee controls. In order to ensure compliance with K&B's policy, employees generally maintain their brokerage accounts with K&B. Under certain circumstances, however, an employee is permitted to have accounts with another firm. These conditions include (i) informing the other broker-dealer in



writing of such employee's affiliation with K&B; and (ii) requiring such other broker-dealer to automatically send duplicates of all such employee's monthly statements to K&B.

## **Item 12 – Brokerage Practices**

As noted in Items 5 and 10 above, Advisor has an affiliated broker dealer to which it will place orders for the purchase and sale of securities in equities and fixed income securities. A commission will be applied to such orders, in accordance with the commission schedule then applicable. However, a majority of K&B clients have opted for the ABFP utilizing the services of Fidelity Brokerage Services, LLC.

Generally client advisory agreements authorize Adviser to determine, consistent with the client investment objectives, which securities and the total amount of securities to be bought or sold for client accounts. Adviser's primary objective in placing orders for the purchase or sale of securities for a client account is to obtain the most favorable net results reasonably available, taking into account such factors as price, commission, size of order, difficulty of execution, services offered and provide confidentiality, and skill required of the broker. Adviser negotiates commission rates with its clients that will apply to all trades for client accounts, when commissions are charged on trades.

K&B or any related person may have authority to determine without obtaining specific consent the:

- Securities to be bought or sold;
- Amount of the securities to be bought or sold;
- Broker or dealer to be used; and
- Commission rates paid, subject to predetermined maximum rates.

There is no limit to the amount of securities to be bought and sold as long as amounts are consistent with investment objectives and client's guidelines.

K&B will often bunch client orders with other client orders to secure certain efficiencies with respect to execution, clearance and settlement of orders for client accounts that, K&B believes, are suitable for advisory clients. In other words, rather than effecting multiple transactions, i.e., one for each client account, K&B will buy or sell one or more larger blocks of the security in question and allocate the securities among the appropriate accounts. Clients should be aware that, depending upon its assessment of the relevant circumstances, K&B may either buy or sell securities for some clients and not for others.

Any orders placed for execution on an aggregated basis are subject to Adviser's order aggregation and allocation policy and procedures which are designed so that clients are treated in a fair and equitable manner. This policy and these procedures are intended to meet, where applicable the legal standards applicable to Adviser under federal and state securities laws and the Employee Retirement Income Security Act of 1974 and its obligations as a fiduciary to each client. Pursuant to this policy, orders to purchase or sell securities for all accounts managed by Adviser, its affiliates and related persons, may be aggregated or "bunched" for execution.

When trades are bunched, clients will receive the average share price and are charged the pre-determined commission rate, which may vary from client to client. Clients may not limit K&B's authority in aggregating or "bunching" trades, which are effected to secure efficiencies for clearance and settlement. Associated persons of K&B are not permitted to purchase or sell any security for their personal accounts prior to implementing transactions for client accounts and therefore do not participate in aggregated trades.

In some circumstances, a client will designate a particular broker dealer through which trades are to be effected or placed, typically under such terms as the client negotiates with that particular broker dealer. Where the client has directed the use of an unaffiliated broker or dealer, Adviser will not be in a position to negotiate commission rates or spreads freely or, depending on the circumstances, to select broker or dealers based on best execution. Additionally, transactions for a client that has directed Adviser to use a particular broker dealer may not be commingled or "bunched" for execution with orders for the same securities for other managed accounts.

Trades for a client that has directed the use of an unaffiliated broker or dealer may be placed at the end of bunched trading activity for a particular security. Accordingly, directed transactions may be subject to price movements, particularly in volatile markets, that may result in the client receiving a price that is less favorable than the price obtained for a bunched order. Under these circumstances, the direction by a client of a particular broker-dealer to execute transactions may result in different commissions, greater spreads, or less favorable net prices than might be the case if Adviser were empowered to negotiate commission rates or spreads freely, or to select brokers or dealers based on best execution, and if the broker-dealer is not one used regularly by Adviser, there may be additional credit and/or settlement risk.

With respect to fixed income instruments, K&B is generally able to fill all bunched orders at the same price, primarily because it checks the market for such securities immediately before the entry of such orders to ensure that the total amount requested can be filled.

K&B has established and maintains general trade allocation policies and procedures designed so that over time trades are allocated among client accounts for which such trades are appropriate in a fair and equitable manner. K&B will allocate investment opportunities among clients taking into account relevant factors relating to each client. Allocations are generally made based upon the market value of the respective advisory clients, the cash positions and cash needs of such clients, the investment objectives of such clients and such other factors that K&B believes to be fair and appropriate under the circumstances.

Not all investment advisers require the use of a particular broker dealer or custodian. However, clients of K&B generally will authorize Adviser to determine the broker dealer with which to place their securities trades. By so authorizing Adviser to place orders in this manner, Adviser may direct orders to its affiliate broker dealer, that may provide Adviser with a direct or indirect benefit in the form of commissions (for orders placed with K&B broker dealer), research, or other services. In particular, to the extent that orders are placed with broker dealers from which Adviser receives a benefit (including K&B), the commission rates, clearing and execution costs for client transactions,

will not be as favorable as the rates and execution costs that Adviser might be able to obtain at broker dealers that do not provide Adviser with such benefits or services.

In the event that Adviser has made an error in handling or executing a client transaction (e.g., purchase instead of sale; incorrect amount, account or symbol; inadvertent trade through account restriction; or other error/mistake) the client account will be placed in the same position, to the extent feasible, as if the error or mistake had not taken place. As a policy, no client will be disadvantaged as a result of the trading error or mistake. Adviser will bear the economic risk of returning the client to the position the client would have been but for the error/mistake; due to incurring such risk, Adviser may in certain instances retain the economic benefit associated with an error/mistake.

If the entire purchase or sale order placed by K&B is not filled by the end of the trading day due to inability of K&B to execute the initial order because of market conditions or limited liquidity at the intended execution price, it is K&B's general policy to cancel the unexecuted balance of the order. In the days following, K&B will determine whether or not to complete the purchase or sale of the unfilled balance of the previously canceled balance of the order. When only a portion of the order is executed, clients will receive only a portion of the intended amount (typically on a pro-rated basis). While Adviser has implemented order handling procedures designed so that clients are treated fairly, there might be instances in which one of the orders is not placed until a later time. In that circumstance, execution prices could differ. Also, If the price of the security changes substantially, the Adviser may decide to not execute the remainder of the order.

If it is not feasible for K&B to allocate a transaction at the time of its execution, K&B will make such allocations by the close of business on the day such transaction(s) were effected.

As noted in Item 5 and 10 above, K&B has a dually registered broker dealer to which it will place orders for ATBFP clients for the purchase or sale of securities. K&B will strive to achieve the best execution possible for client transactions. This does not require K&B to solicit competitive bids and K&B does not have an obligation to seek the lowest available commission cost. In seeking best execution, the determinative factor is whether the transaction represents the overall best qualitative execution, taking into consideration the full range of the broker dealer's services including execution capability, commission rates, research and responsiveness. Transactions in equities and fixed income securities will be handled by the Adviser's broker dealer. A commission will be applied to such transactions in accordance with the commission schedule then applicable. In its selection of an executing broker, K&B utilizes the services of National Financial Services, LLC. Adviser has considered a variety of factors, including the following: the broker's capital depth and stability; the broker's market access; the broker's transaction confirmation and account statement practices; the nature and character for the security or instrument to be purchased or sold; the execution, clearance and settlement capabilities of the broker selected and others considered; and the reasonableness of the commission for the specific transaction. Brokers selected by Adviser will be paid commissions for effecting these transactions if Adviser determines in good faith that such amounts are reasonable relative to the value of the brokerage services provided by those brokers,

viewed either in terms of a particular transaction or Adviser's overall duty to its discretionary accounts.

K&B broker dealer does not act in an "agency cross" basis. Agency cross transactions occur when an advisory client is on one side of the transaction and a customer of the broker dealer is on the other side of the transaction. Adviser does not engage in "cross" transactions where advisory clients are on both sides of the transaction.

K&B does not act as a principal in any transaction, even when acting in the capacity of a broker in an agency transaction.

K&B has an arrangement with National Financial Services, LLC and Fidelity Brokerage Services, LLCs (together with affiliates, "Fidelity") through which Fidelity provides K&B with Fidelity "platform" services. The platform includes, among others, brokerage, custodial, administrative support, record keeping and related services. K&B also receives support services that include transition payments of as much as \$20,000 to defray some or all vendor costs during the transition to Fidelity. Without this arrangement, K&B may be compelled to purchase the same or similar services at its own expense. As a result of receiving such services for no additional cost, K&B may have an incentive to continue to use or expand the use of Fidelity's services. K&B examined this potential conflict of interest when it chose to enter into the relationship with Fidelity and has determined that the relationship is in the best interest of K&B's clients and satisfies its client obligations, including its duty to seek best execution.

### **Item 13 – Review of Accounts**

Accounts are reviewed by:

- Michael Kimelman
- Sheila Baird
- Yasmeen Mock
- Scott Kimelman
- Sapan Vyas

Reviewers are instructed to review each account at least quarterly. Decisions are made in accordance with client investment guidelines. All accounts are reviewed at least quarterly by a principal of the firm. Accounts are reviewed more frequently if circumstances change.

The frequency of such reviews is determined by client need, investment advisor representative's determination, or by K&B management's discretion. This review is an important aspect of K&B's fiduciary duty to ensure accuracy, completeness, and continued applicability and suitability for each account. The nature of this review might encompass statements, confirmations, performance reports, and billing / fee analysis with such reports being generated internally by K&B or furnished from financial services institutions with which the client transacts business. The frequency of such reports may also be determined by the various financial institutions generating the reports, but are typically produced monthly, quarterly, annually, or in the instance of confirmations, as transactions occur. Account reviews are performed more frequently when market conditions dictate, there is a notable increase in the amount of requests by a client that affect transactions in their account(s), or a client's request to liquidate positions. Other conditions that may trigger a periodic review are changes in the tax laws, new investment information, and changes in a client's own situation.

All accounts receive confirmations from National Financial Services, LLC, and other custodians of securities transactions, when they are executed. All accounts also receive monthly statements showing all transactions during the month and the securities positions maintained in the account, with their respective costs and market values, from National Financial Services, LLC or other custodian as applicable. In the event that there is no activity in an account, the account holder will receive only a quarterly statement.

Accounts with minimal transaction history are reviewed annually to determine if the investment strategy is more suited to a brokerage account, based upon the level of supervision required for the account or any prospective change in client suitability.

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

K&B has entered into arrangements with unaffiliated and affiliated individuals that will refer clients to K&B. The following individuals provide, or provided client referrals to K&B for quarterly fees based on account assets under management:

- Michael Rappaport
- Bernadette B. Murphy
- Walter H. Baur

Ms. Murphy and Mr. Baur are two former employees who retired from K&B in July 2015 and December 1999 respectively, and continue to receive a fee equal to 25% of the advisory fees for clients introduced to K&B during their employment with Adviser.

K&B currently has an agreement with Michael H. Rappaport since October 2008. In consideration for referring prospective investors to K&B, the Adviser pays a fee equal to 25% of the investment management fee received by K&B on the accounts referred as long as the accounts remain with K&B. Mr. Rappaport receives a percentage of fees received by K&B broker dealer business unit for marketing interests in privately offered investment vehicles.

A solicitor is not authorized to provide investment advice or manage investments on behalf of K&B. The solicitor does not have authority to accept an investment advisory agreement on behalf of K&B or to collect or receive payment in his or her own name for any investment advisory services of K&B. The role is strictly limited to introducing or referring a prospective client to K&B.

The referral program of K&B is subject to federal and state regulations, including those governing compensation and written client disclosure. The solicitation/referral fee is paid pursuant to a written agreement. The prospective client is informed of the relationship and must sign a disclosure form indicating the client is aware of the arrangement along with a copy of Form ADV Part 2A. Compensation paid by K&B to the solicitor is dependent upon the client entering into an investment advisory agreement with K&B and will be an agreed upon percentage of the investment management fee of K&B as specified in the disclosure statement provided to the client. The investment advisory fee charged to client will not increase as a result of compensation being shared by the solicitor. The client will not pay an added fee for the referral.

Inherent conflicts of interest exist with respect to the solicitation/referral arrangements described above. Solicitors may refer potential clients to K&B because they will be paid a fee, rather than be provided investment advice that is appropriate and suitable for the client. To mitigate this conflict, K&B retains ultimate discretion to accept client referrals from solicitors.

## **Item 15 – Custody**

Custody, as it applies to investment advisers, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented.

**K&B would be deemed to have custody of client assets under certain specific circumstances as discussed below:**

- Client authorization to a custodian to debit K&B's advisory fees from client's account
- Client authorization to direct checks or money transfers from client account to third parties
- Client sends a check to K&B for deposit at the custodian, but the check is payable to K&B
- An employee of K&B serves as a trustee for a client or has full power of attorney at the client's request.

With the exception of the ability to debit a client(s) account for advisory fees pursuant to the investment management agreement (SEC Release No. IA-2106), K&B will not have custody of client funds nor securities.

K&B in its capacity as a registered investment adviser will not physically take custody of client assets. K&B will recommend the client establish a custodial agreement for the benefit of the client with K&B's custodian (National Financial Services, LLC or Fidelity Brokerage Services, LLC). The firm has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under the client's name. Clients will direct in writing, the establishment of all accounts and therefore are aware of the custodian's name, address and the manner in which the funds and securities are maintained.

K&B clients will receive at least quarterly account statements directly from the qualified custodian that holds and maintains the assets. This report will detail the clients' investment positions held with custodian, the prior quarters' values, contributions and/or distributions made during the quarter, and the investment returns for the quarter. K&B urges the client to carefully review these statements and compare such official custodial records to any reports that K&B or its advisor representative may provide. K&B requests that the client notify the firm promptly of any discrepancies or errors in such statements.

K&B conducts reasonable inquiry to determine that the custodian sends regular statement of accounts, directly to its clients.



## **Item 16 – Investment Discretion**

K&B receives discretionary authority from the client at the outset of an advisory relationship to select the:

- Securities to be bought or sold;
- Amount of the securities to be bought or sold;
- K&B as the designated broker-dealer to be used; and
- Negotiated commission rates paid.

Discretion is exercised in a manner consistent with stated investment objectives for your account pursuant to the fiduciary duty and standard of care which we must discharge. Discretionary trading authority facilitates placing trades in the client account, to be able to promptly implement the investment policy that has been approved in writing. In all cases, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts to be invested, K&B observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to K&B in writing and noted in the investment management agreement.

### **Item 17 – Voting Client Securities**

As a matter of firm policy and practice, K&B does not undertake authority to vote proxies on securities on behalf of advisory clients. Clients are expected to vote their own proxies and they will receive proxies and other solicitations directly from their asset custodian.

## **Item 18 – Financial Information**

Registered investment advisers are required to provide you with certain financial information or disclosures about K&B's financial condition. K&B as a registered broker dealer is subject to the uniform capital rules governing broker dealers, under which it is bound to maintain sufficient net capital to meet regulatory obligations. K&B 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.

A balance sheet is not required to be provided because K&B does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1200 per client, six months in advance.

**KIMELMAN & BAIRD, LLC**

**PART 2B**

**Item 1- Cover Page**

**Sheila Baird**

Kimelman & Baird, LLC

800 Third Avenue, Suite 2300

New York, NY 10022

(212) 686-0021

December 31, 2019

**This Brochure Supplement provides information about Sheila Baird that supplements the Kimelman & Baird, LLC. ("K&B") Brochure. You should have received a copy of that Brochure. Please contact Pat Kimelman at (212) 686-0021 or by email at [pkimelman@kimelmanbaird.com](mailto:pkimelman@kimelmanbaird.com) if you did not receive K&B's Brochure or if you have any questions about the contents of this supplement.**

**Item 2- Educational Background and Business Experience**

Sheila Baird, Born 5/13/1937

Education: University of Toronto, Toronto, Canada (1959 B. Commerce)

Business Background: Kimelman & Baird, LLC – Broker/ Dealer, Investment Advisor (4/95-Present)

M. Kimelman & Co. – Broker/ Dealer, Investment Advisor (11/66-4/95)

Daeg Partners, LP – Investment Partnership (5/00 - Present)

Daeg Capital Management, LLC – General Partner of Investment Partnership (5/00-Present)

Daeg Administrative Advisors, LLC – Management Company of the Investment Partnership (3/04-Present)

Professional

Designations/Licenses: FINRA Series 7 (11/1966)  
FINRA Series 24 (11/1966)  
FINRA Series 27 (3/1989)  
FINRA Series 79 (4/2010)  
FINRA Series 53 (3/1989)  
FINRA Series 63 (2/1998)

### **Item 3- Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Information applicable to this item is as follows:

K&B and Sheila Maureen Baird, K&B's Member and Chief Compliance Officer were the subject of a regulatory action, initiated by the SRO NASD and resolved on July 6, 2000 as an Acceptance, Waiver & Consent and monetary fine in the amount of \$3,500. K&B failed to establish and implement a continuing education program for 1995, 1996 and 1997 including a needs analysis and training program. K&B failed to establish, maintain and enforce written supervisory procedures relating to continuing education program firm and regulatory elements.

K&B and Sheila Maureen Baird, K&B's Member and Chief Compliance Officer were the subject of a regulatory action, initiated by the SRO NASD and resolved on June 13, 2005 as an Acceptance, Waiver & Consent. A monetary fine of \$7,000 and a censure were jointly and severally levied against the firm and individual for failure to complete a needs analysis and a training plan as required by the firm element continuing education rules.

K&B and Sheila Maureen Baird, K&B's Member and Chief Compliance Officer were the subject of a regulatory action, initiated by the SRO NASD and resolved on December 20, 2006 as an Acceptance, Waiver & Consent and monetary fine in the amount of \$5,000. K&B permitted an individual to act in a capacity that required registration, while his registration status with the NASD was inactive, due to his failure to complete the regulatory element of NASD's continuing education requirement.

#### Item 4- Other Business Activities

K&B is dually registered as a broker/dealer as well as an investment advisor and Sheila Baird is a Registered Representative of the broker/ dealer as well as a Member and principal of the firm.

Additional business activities:

- Daeg Partners, LP  
Investment Partnership
- Daeg Capital Management, LLC  
General Partner of Investment Partnership  
Sheila Baird spends approximately 2-3 hours per week on this business and receives a portion of an incentive allocation fee as compensation
- Daeg Administrative Advisors, LLC  
Management Company of Investment Partnership  
Sheila Baird spends approximately 2-3 hours per week on this business and receives a portion of an administrative fee as compensation.

#### Item 5- Additional Compensation

Investment adviser representatives are required in this Item to provide you with certain information or disclosures about economic benefits provided to them by someone who is not a client. **No information is applicable to this Item.**

#### Item 6 - Supervision

Michael Kimelman and Yasmeen Mock, Members supervise the advisory activities on behalf of K&B for Sheila Baird. Mr. Kimelman and Ms. Mock can be reached via telephone at (212) 686-0021. 1)Mr. Kimelman approves new accounts opened by Ms. Baird. 2)Ms. Mock supervises Ms. Baird's advisory activities through weekly meetings in which investments and advisory clients are discussed.

### Item 1- Cover Page

Michael Kimelman

Kimelman & Baird, LLC

800 Third Avenue, Suite 2300

New York, NY 10022

(212) 686-0021

December 31, 2019

**This Brochure Supplement provides information about Michael Kimelman that supplements the Kimelman & Baird, LLC. ("K&B") Brochure. You should have received a copy of that Brochure. Please contact Pat Kimelman at (212) 686-0021 or by email at [pkimelman@kimelmanbaird.com](mailto:pkimelman@kimelmanbaird.com) if you did not receive K&B's Brochure or if you have any questions about the contents of this supplement.**

### Item 2- Educational Background and Business Experience

Michael Kimelman, Born 2/22/1939

Education: University of Pennsylvania, Philadelphia, PA

Business Background: Kimelman & Baird, LLC – Broker/ Dealer, Investment Advisor (4/95-Present)

M. Kimelman & Co. – Broker/ Dealer, Investment Advisor (11/66-4/95)

Daeg Partners, LP – Investment Partnership (5/00 - Present)

Daeg Capital Management, LLC – General Partner of Investment Partnership (5/00-Present)

Daeg Administrative Advisors, LLC – Management Company of the Investment Partnership (3/04-Present)

Igene Biotechnology, Inc. – Chairman of the Board of Directors and Shareholder (2/91-Present)

VDLT Wine Consortium, LLC - Owner (5/16-Present)



## Professional

Designations/Licenses: FINRA Series 7 (11/1966)  
FINRA Series 24 (11/1966)  
FINRA Series 27 (9/1990)  
FINRA Series 79 (4/2010)  
FINRA Series 4 (11/1966)

### **Item 3- Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. **No information is applicable to this item.**

### **Item 4- Other Business Activities**

K&B is dually registered as a broker/dealer as well as an investment advisor and Michael Kimelman is a Registered Representative of the broker/ dealer as well as a Member and principal of the firm.

#### Additional business activities:

- Igene Biotechnology, Inc.  
Chairman of the Board of Directors  
9110 Red Branch Road, Columbia, MD 21045  
start date February 1991  
Igene is a public biotechnology company  
Michael Kimelman spends approximately 5 hours per month during trading hours on Igene.
- Daeg Partners, LP  
Investment Partnership
- Daeg Capital Management, LLC  
General Partner of Investment Partnership  
Michael Kimelman spends approximately 2-3 hours per week on this business and receives a portion of an incentive allocation fee as compensation
- Daeg Administrative Advisors, LLC  
Management Company of Investment Partnership, Michael Kimelman spends approximately 2-3 hours per week on this business and receives a portion of an administrative fee as compensation;
- VDLT Wine Consortium, LLC  
800 Third Avenue, Suite 2300, New York, NY 10022  
Owner  
start date May 2016  
Wine Club

Michael Kimelman spends approximately 20 hours per month during non-trading hours on this business.

#### **Item 5- Additional Compensation**

Investment adviser representatives are required in this Item to provide you with certain information or disclosures about economic benefits provided to them by someone who is not a client. **No information is applicable to this Item.**

#### **Item 6 - Supervision**

Sheila Baird, Member supervises the advisory activities on behalf of K&B for Michael Kimelman. Ms. Baird can be reached via telephone at (212) 686-0021. Mr. Kimelman does not specifically manage customer accounts. He researches investments and products suitable for portfolio inclusion. Ms. Baird supervises Mr. Kimelman's advisory activities through weekly meetings in which investments and advisory clients are discussed, with Ms. Baird making decisions on product placements.

**Item 1- Cover Page**

**Scott Kimelman**

**Kimelman & Baird, LLC**

**800 Third Avenue, Suite 2300**

**New York, NY 10022**

**(212) 686-0021**

**December 31, 2019**

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**Item 2- Educational Background and Business Experience**

Scott Kimelman, Born 4/17/1965

Education: Boston University, Boston, MA

Business Background: Kimelman & Baird, LLC – Broker/ Dealer, Investment Advisor (9/88-Present)

M. Kimelman & Co. – Broker/ Dealer, Investment Advisor (9/88-4/97)

Daeg Partners, LP – Investment Partnership (5/00-Present)

Daeg Capital Management, LLC – Member (5/00-Present)

Daeg Administrative Advisors, LLC – Management Company of the Investment Partnership (3/04-Present)

Professional  
Designations/Licenses: FINRA Series 7 (5/1987)  
FINRA Series 63 (8/1994)

### Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. **No information is applicable to this item.**

### Item 4- Other Business Activities

K&B is dually registered as a broker/dealer as well as an investment advisor and Scott Kimelman is a Registered Representative of the broker/ dealer as well as a Member of the firm.

Additional business activities:

- Daeg Partners, LP  
Investment Partnership
- Daeg Capital Management, LLC  
General Partner of Investment Partnership  
Scott Kimelman spends approximately 2-3 hours per week on this business and receives a portion of an incentive allocation fee as compensation
- Daeg Administrative Advisors, LLC  
Management Company of Investment Partnership, Scott Kimelman spends approximately 2-3 hours per week on this business and receives a portion of an administrative fee as compensation;

### Item 5- Additional Compensation

Investment adviser representatives are required in this Item to provide you with certain information or disclosures about economic benefits provided to them by someone who is not a client. **No information is applicable to this Item.**

### Item 6 - Supervision

Sheila Baird, Member supervises the advisory activities on behalf of K&B for Scott Kimelman. Ms. Baird can be reached via telephone at (212) 686-0021. Mr. Kimelman is a Partner, Member, and Co Manager at the firm. Mr. Kimelman co-manages the discretionary accounts at K&B. Ms. Baird supervises Mr. Kimelman's advisory activities through weekly

meetings in which investments and advisory clients are discussed, with Ms. Baird making decisions on product placements.

**Item 1- Cover Page**

**Yasmeen Mock**

**Kimelman & Baird, LLC**

**800 Third Avenue, Suite 2300**

**New York, NY 10022**

**(212) 686-0021**

**December 31, 2019**

**This Brochure Supplement provides information about Yasmeen Mock that supplements the Kimelman & Baird, LLC. ("K&B") Brochure. You should have received a copy of that Brochure. Please contact Pat Kimelman at (212) 686-0021 or by email at [pkimelman@kimelmanbaird.com](mailto:pkimelman@kimelmanbaird.com) if you did not receive K&B's Brochure or if you have any questions about the contents of this supplement.**

**Item 2- Educational Background and Business Experience**

Yasmeen Mock, Born 12/31/1981

Education: New York University, New York, NY (2002 BA, Economics)

Business Background: Kimelman & Baird, LLC – Broker/ Dealer, Investment Advisor  
(7/02-Present)

Professional

Designations/Licenses: FINRA Series 7 (10/2004)  
FINRA Series 66 (12/2004)  
FINRA Series 24 (11/2015)

### Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. **No information is applicable to this item.**

### Item 4- Other Business Activities

K&B is dually registered as a broker/dealer as well as an investment advisor and Yasmeen Mock is a Registered Representative of the broker/ dealer as well as a Member and principal of the firm.

Additional business activities:

**No information is applicable to this Item.**

### Item 5- Additional Compensation

Investment adviser representatives are required in this Item to provide you with certain information or disclosures about economic benefits provided to them by someone who is not a client. **No information is applicable to this Item.**

### Item 6 - Supervision

Sheila Baird, Member supervises the advisory activities on behalf of K&B for Yasmeen Mock. Ms. Baird can be reached via telephone at (212) 686-0021. Ms. Mock is co-portfolio manager at K&B. Ms. Baird supervises Ms. Mock's advisory activities through weekly meetings in which investments and advisory clients are discussed, with Ms. Baird making decisions on product placements.

**Item 1- Cover Page**

# Sapan Vyas

Kimelman & Baird, LLC

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New York, NY 10022

(212) 686-0021

December 31, 2019

**This Brochure Supplement provides information about Sapan Vyas that supplements the Kimelman & Baird, LLC. ("K&B") Brochure. You should have received a copy of that Brochure. Please contact Pat Kimelman at (212) 686-0021 or by email at [pkimelman@kimelmanbaird.com](mailto:pkimelman@kimelmanbaird.com) if you did not receive K&B's Brochure or if you have any questions about the contents of this supplement.**

**Item 2- Educational Background and Business Experience**

Sapan Vyas, Born 1/14/1979

Education: State University of New York at Binghamton, Binghamton NY  
2001 BS, Biology)

Business Background: Kimelman & Baird, LLC – Broker/ Dealer, Investment Advisor  
(6/01-Present)

Professional  
Designations/Licenses: Chartered Financial Analyst (5/2004)  
FINRA Series 7 (11/2002)  
FINRA Series 63 (12/2002)



### **Item 3- Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. **No information is applicable to this item.**

### **Item 4- Other Business Activities**

K&B is dually registered as a broker/dealer as well as an investment advisor and Sapan Vyas is a Registered Representative of the broker/ dealer as well as a Member of the firm.

Additional business activities:

**No information is applicable to this Item.**

### **Item 5- Additional Compensation**

Investment adviser representatives are required in this Item to provide you with certain information or disclosures about economic benefits provided to them by someone who is not a client. **No information is applicable to this Item.**

### **Item 6 - Supervision**

Sheila Baird, Member supervises the advisory activities on behalf of K&B for Sapan Vyas. Ms. Baird can be reached via telephone at (212) 686-0021. Mr. Vyas is co-portfolio manager at K&B. Ms. Baird supervises Mr. Vyas's advisory activities through weekly meetings in which investments and advisory clients are discussed, with Ms. Baird making decisions on product placements.