

**Part 2A of Form ADV: *Firm Brochure***

**GEORGE MCKELVEY CO., INC.**

2410 State Highway 34  
Manasquan, NJ 08736

Telephone: (732) 449-5323  
Facsimile: (732) 974-9107  
E-mail: [bcp@georgemckelveyco.com](mailto:bcp@georgemckelveyco.com)  
Web: [www.georgemckelvey.com](http://www.georgemckelvey.com)

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**This brochure provides information about the qualifications and business practices of George McKelvey Co., Inc. (hereinafter “GMC” or “firm” or “we”). If you have any questions about the contents of this brochure, please contact us at (732) 449-5323 or at [bcp@georgemckelveyco.com](mailto:bcp@georgemckelveyco.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.**

**Additional information about GMC is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for GMC is 2733.**

## **Item 2. Summary of Material Changes**

There have been no material changes to this Form ADV, Part 2 since its inception on March 29, 2011.

On July 21, 2010, the U. S. Securities and Exchange Commission (the "SEC") unanimously adopted changes to Form ADV, Part II. All fifty states have also adopted the new format, with some additional state-specific disclosures mandated. The new Part 2, also known as the "Brochure" has 18 separate items that our firm must address (19 for state-registered advisers), each of which requires disclosure on a distinct topic, and answers must be presented in the order of the items in the form, using the headings in the form. Our goal is to provide you with easy-to-understand "plain-English disclosure," using an easy-to-read format and definite, concrete, everyday words.

Our current (updated) Form ADV, Part 2 is available to our existing and prospective clients 24 hours a day through the Investment Adviser Public Disclosure website. Additionally, we will annually and within 120 days of the end of our fiscal year, provide you either: (i) a copy of our Form ADV, Part 2 that includes or is accompanied by a summary of material changes; or (ii) a summary of material changes that includes an offer to provide a copy of the current Form ADV, Part 2. We urge you to carefully review all subsequent summaries of material changes, since they will contain important information about any significant changes to our advisory services, fee structure, business practices, conflicts of interest, and disciplinary history.

**Item 3. Table of Contents**

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#### **Item 4. Advisory Business**

GMC is a fee-based SEC-registered investment adviser with its principal and only place of business located in Manasquan, New Jersey. GMC is also a registered broker dealer, member FINRA/SIPC/MSRB. We have been in business since 1960. Robert G. McKelvey, President and Chief Compliance Officer, Robert A. Giunco, Jr., Vice President and Secretary, and Richard Looney, Vice President and Treasurer, are the current direct owners. This Brochure describes the advisory portion of our business.

Discretionary assets under our firm's management were \$792,883,043 as of December 31, 2019. Non-discretionary assets under our firm's management were \$18,532,084 as of December 31, 2019.

#### **Portfolio Management Services**

GMC is in the business of managing portfolios with individually tailored investment strategies. Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy and create and manage a portfolio based on that policy. Our data-gathering process includes the client's individual objectives, time horizons, risk tolerance, and liquidity needs. We usually review and discuss a client's prior investment history, as well as family composition and background.

We will manage advisory accounts primarily on a discretionary basis. For discretionary accounts, we will implement transactions without seeking prior client approval, with occasional exceptions, depending on the specific agreement with the client. For non-discretionary accounts, we will seek prior client consent for every contemplated transaction. Therefore, clients with non-discretionary accounts should understand that any delay in obtaining consent may result in different and potentially less favorable transaction terms, including higher security price and/or higher commissions and/or limited availability of the securities sought.

Account supervision is guided by the stated objectives of the client (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Clients will generally have the following instruments in their investment portfolios:

- Individual equity securities
- Fixed income securities
- No-load, load-waived and load-bearing mutual funds
- Exchange Traded Funds (ETFs)

Occasionally, we may also include these instruments:

- Commercial Paper
- Warrants
- Certificates of Deposit
- United States government securities
- Interests in partnerships investing in real estate, oil and gas and equipment leasing

#### Financial Planning/Consulting Services

Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. The key defining aspect of financial planning is that through the financial planning process, all questions, information and analysis will be considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service will receive a written report, providing the client with a detailed financial plan designed to achieve his or her stated financial goals and objectives.

In general, the financial plan will address any or all of the following areas of concern:

- Personal: Family records, budgeting, personal liability, estate information and financial goals.
- Tax & Cash Flow: Income tax and spending analysis and planning for past, current and future years. We will illustrate the impact of various investments on a client's current income tax and future tax liability.
- Death & Disability: Cash needs at death, income needs of surviving dependents, estate planning and disability income analysis.
- Retirement: Analysis of current strategies and investment plans to help the client achieve his or her retirement goals.
- Investments: Analysis of investment alternatives and their effect on a client's portfolio.

We gather required information through in-depth personal interviews. Information gathered includes a client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a written report. Should a client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion.

Our financial planning/consulting recommendations are not limited to any specific product or service offered by any broker dealer or insurance company and will generally include advice regarding exchange-listed and over-the-counter securities, corporate debt securities, certificates of deposit, municipal securities, United States governmental securities, variable life insurance, variable annuities, exchange traded funds (ETFs) and mutual funds.

Typically the financial plan will be presented to the client within a mutually agreed time period, once all information needed to prepare the financial plan has been provided by the client.

Clients can also receive investment advice on a more limited basis. This may include advice on only an isolated area(s) of concern such as estate planning, retirement planning, insurance issues, annuity advice, or any other specific topic.

### Services in General

We tailor all of our portfolio management, financial planning, and consulting recommendations to the individual needs of each client. All such recommendations are based on information gathered through client questionnaires, telephone, electronic communications and in-person discussions.

## **Item 5. Fees and Compensation**

### Portfolio Management Services

Our fees for our Portfolio Management Services are based upon a percentage of assets under management. The annual fee is negotiated separately with each client and may be up to 1.5% of assets under our management.

Typically, portfolio management fees are calculated annually based upon the billable balance on the last day of the prior fiscal year. Portfolio management fees are debited directly from the account on a quarterly basis after the service for that quarter has been completed. On occasion, the fee calculation may be based upon the billable balance on the last day of each calendar quarter or some other periodic basis, as mutually agreed upon. If requested by the client, prepayment provisions can be made.

### Financial Planning/Consulting Services

We charge Financial Planning Services and Consulting Services clients hourly fees ranging from \$75 to \$350/hour.

Up to 50% of the fee may be due upon signing the financial planning/consulting agreement, with the balance due upon presentation of the plan or other work product to the client.

## Fees in General

Fees and account minimums for all services are negotiable based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.). Our employees and their family members may be offered discounts not available to our advisory clients.

We may group certain related client accounts for the purposes of determining the account size and/or annualized fee.

Certain legacy client agreements may be governed by fee schedules different from those listed above.

Under no circumstances will we earn fees in excess of \$1,200 more than six months in advance of services rendered.

## Account Termination

Clients will have a period of five (5) business days from the date of signing the agreement to unconditionally rescind the agreement and receive a full refund of all fees. Thereafter, the client may terminate the agreement by providing us a written notice at our principal place of business. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

Mutual Fund and ETF Fees and Expenses: All fees paid to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. A client could invest in a mutual fund or an ETF directly, without the services of our firm. In that case, the client would not receive the services provided by us which are designed, among other things, to assist the client in determining which mutual fund or funds or ETFs are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and ETFs and the fees charged by us to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Certain mutual funds charge “front-end loads” and “back-end loads” which are paid to investment intermediaries as sales commissions. As such, these sales charges are not part of a mutual fund's operating expenses and are deducted from the investment amount, thus lowering the size of the investment. Certain mutual funds also charge annual marketing or distribution fees. These 12b-1 fees are considered an operational expense and, as such, are included in a fund's expense ratio.

Clients should note that due to our dual registration as a broker dealer and an investment adviser, 12b-1 fees and “loads” paid to us as a result of our brokerage services would inure to the benefit of the officers and owners of our advisory firm. Please see detailed disclosure regarding the resulting conflicts of interests in Items 10 and 12 of this Brochure. We generally recommend “no-load” mutual funds. If we purchase load-bearing funds, we may, at our sole discretion, waive commissions due to us as a result of such a purchase.

#### Brokerage and Custodian Fees

In addition to advisory fees paid to our firm, clients will also be responsible for all transaction, brokerage, and custodian fees incurred as part of their account management. Some brokerage fees may be waived by us as courtesy to clients. Please see Item 12 of this Brochure for important disclosures regarding our brokerage practices.

#### Additional Compensation Received by Us

GMC principals and employees are also registered securities representatives with our firm. In these capacities, these individuals may have a conflict of interest with clients. The vast majority of the firm’s clients are discretionary clients. On any recommendation, the discretionary client is charged a maximum of \$40 on any transaction regardless of its size. Mark-ups, 12b1 fees or load sales are eliminated whenever possible. The firm has deliberately designed its fee structure to minimize incentives to recommend securities for the fee or commission income.

For the small number of non-discretionary clients, these individuals may recommend securities or other investment products and may receive normal securities transactions commissions, 12b-1 fees, markups, and load sales charges if products are purchased utilizing our firm’s brokerage services. Thus, a potential conflict of interest exists between the interests of our firm and these individuals and those of this group of advisory clients, creating an incentive for them to recommend investment products based on the compensation received. However, clients are under no obligation to act upon any recommendations of these individuals or to effect any transactions through them if they decide to follow the recommendations. These individuals do not limit their investment or financial planning recommendations to products or services offered by our firm and ensure that all recommendations are appropriate for a client’s specific needs. Clients have the option to purchase investment products recommended through other brokers not affiliated with our firm. Please refer to Item 10 of this Brochure for a more detailed explanation of how our firm handles and mitigates these conflicts of interest.

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

We do not charge any fees based on a share of capital gains on or capital appreciation of the assets of a client.



## **Item 7. Types of Clients**

Our firm generally provides advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

We do not impose any minimum account sizes. However, we do impose a minimum annual charge of \$500 per investment account.

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

Our firm employs the following types of analysis to formulate client recommendations.

Fundamental analysis. We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Technical analysis. We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and to potentially predict future price movement.

Cyclical analysis: In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

Charting: In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict when how long the trend may last and when that trend might reverse.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

Mutual fund and/or ETF analysis: We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in other funds in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the fund or ETF less suitable of the client's portfolio.

Risks for all forms of analysis: Our securities analysis method relies on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Our firm employs the following investment strategies to implement investment advice given to clients:

Long-term purchases: We mostly purchase securities with the idea of holding them in the clients account for a year or longer. We may do this because we believe the securities to be currently undervalued. We may do this because we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that, by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Short-term purchases: At times, we may also purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A risk in a short-term purchase strategy is that, should the anticipated price swing not materialize, we are left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss. In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

***Clients should understand that investing in any securities, including mutual funds and ETFs, involves a risk of loss of both income and principal.***

## **Item 9. Disciplinary Information**

Our firm and/or our employees have been subject to the following material disciplinary events in the last ten years:

There are a number of states where our firm has only a few clients. As an investment adviser, we conduct business without registering or notice filing in those states relying on a “de minimis” exemption (usually five clients or fewer) that exists for investment advisers. Our firm’s brokerage arm relied on this same exemption in executing trades for these clients when, in 2007, we learned that some states had different rules for broker dealers than investment advisers. We then contacted all the states in which we did any broker dealer business and brought this situation to their attention. Most states simply accepted our registration, but Maryland, Maine and New Hampshire took disciplinary action that usually involved forfeiting any commissions earned during the unregistered period. All these cases were resolved during 2007 and 2008 and payments of \$1,425, \$10,000 and \$17,500 were made to these three states.

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

As is disclosed in Item 5 of this Brochure, principals and employees of our firm are registered securities representatives with our firm, member FINRA/SIPC/MSRB. Please refer to Items 5 and 12 of this Brochure for a detailed explanation of these relationships, our brokerage practices, and important conflict of interest disclosures.

Clients should be aware that the recommendation of our firm for trade execution, as well as receipt of additional compensation by our firm and its management persons or employees creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory and brokerage recommendations. Potential conflicts of interest also arise to the extent that these non-advisory activities may require a time commitment from some of our staff, thus limiting the amount of time they can dedicate to management of advisory client accounts. Since we endeavor at all times to put the interest of our clients first as part of our fiduciary duty as a registered investment adviser, we take the following steps to address this conflict:

1. We disclose to clients the existence of all material conflicts of interest, including the potential for our firm and its employees to earn compensation from advisory clients in addition to our advisory fees;
2. When deemed appropriate, we waive our brokerage commissions or reduce our advisory fees as a courtesy to our advisory clients;
3. We disclose to clients that they are not obligated to purchase recommended investment products from our employees;
4. We collect, maintain and document accurate, complete and relevant client background information, including the client’s financial goals, objectives and risk tolerance;
5. We periodically review the execution capabilities and overall market competitiveness of our firm using quantitative and qualitative criteria;

6. Our management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
7. We require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
8. We periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
9. We educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

**Item 11. Code of Ethics, Participation in Client Transactions and Personal Trading**

Code of Ethics Disclosure

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code provides for oversight, enforcement and recordkeeping provisions. A copy of our Code of Ethics is available to our advisory clients and prospective clients upon request to Robert McKelvey, Chief Compliance Officer, at the firm's principal office address.

Our firm or individuals associated with our firm may buy or sell securities identical to those recommended to or purchased for customers for their personal accounts. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client. This practice results in a potential conflict of interest, as we may have an incentive to manipulate the timing of such purchases to obtain a better price or more favorable allocation in rare cases of limited availability.

To mitigate these potential conflicts of interest and ensure the fulfillment of our fiduciary responsibilities, we have established the following restrictions:

1. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No principal or employee of our firm may prefer his or her own interest to that of the advisory client;
2. It is the expressed policy of our firm that no person employed by us may purchase or sell any security within a three-day blackout period without the express

approval of the Chief Compliance Officer, therefore, preventing such employees from benefiting from transactions placed on behalf of advisory accounts;

3. In cases of partial fills where employee trades are aggregated with client trades, client allocations will be satisfied first;
4. We maintain a list of all securities holdings for our firm and anyone associated with this advisory practice with access to advisory recommendations;
5. We emphasize the unrestricted right of the client to decline to implement any advice rendered, except in situations where our firm is granted discretionary authority;
6. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices; and
7. Any individual not in observance of the above may be subject to disciplinary action or termination.

#### Principal Transactions

On rare occasions, we may engage in principal transactions. This means that our firm may buy securities for its own account and knowingly buy for itself from or sell securities it owns to clients. This creates a conflict of interest because, when acting both as an adviser and a party to a securities transaction, we have potential incentive to recommend and execute such a transaction in a way that benefits our firm the most, even if these recommendations are not in the best interest of our clients. Our firm has implemented the following policies and procedures to monitor and mitigate these conflicts of interest:

1. We disclose to clients the existence of all material conflicts of interest, including the potential for our firm and its employees to derive a benefit when trading for our own account;
2. We disclose to each client, in writing, before the completion of each such transaction, the capacity in which we are acting and obtain the consent of the client to such transaction; and
3. We disclose to each client, in writing, before the completion of each such transaction, our purchase price, current quoted price, best price information, and proposed commission charges.
4. We collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
5. Our management conducts regular reviews of each principal transaction to verify that all such recommendations made to a client were suitable to the client's needs and circumstances and were in the client's best interest;

6. We educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

#### Agency Cross Transactions

On rare occasions, we may engage in agency cross transactions. This means that we may recommend and execute a transaction in which we act as an investment adviser in relation to a transaction in which we also act as broker for both such advisory client and for another person on the other side of the transaction. This creates a conflict of interest because when acting on both sides of the transactions and receiving compensation from both parties to the transaction, we may have an incentive to make a recommendation to an advisory client that is not in his/her best interest. Our firm has implemented the following policies and procedures to monitor and mitigate these conflicts of interest:

1. We disclose to clients the existence of all material conflicts of interest, including the possibly conflicting division of loyalty and responsibility and the potential for our firm and its employees to earn compensation from advisory clients and non-advisory clients in addition to our advisory fees when executing an agency cross transaction;
2. We obtain, in writing, prospective client authorizations for us to engage in agency cross transactions;
3. We confirm, in writing, each agency cross transaction;
4. We provide, in writing, an annual summary of all agency cross transactions to clients involved in those transactions during the year;
5. All of our required notices and investment management agreements disclose that the client may terminate the agency cross transaction authority at any time by written notice to us;
6. We collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
7. Our management conducts regular reviews of each cross agency transaction to verify that all such recommendations made to a client were suitable to the client's needs and circumstances and were in the client's best interest;
8. We educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

#### **Item 12. Brokerage Practices**

We do not have any formal or informal soft-dollar arrangements and do not contract with any broker dealer to receive soft-dollar benefits.

Generally, we do not request or accept the discretionary authority to determine the broker dealer to be used for client accounts. This means that we will not survey or shop the brokerage market place for best execution on a transaction-by-transaction basis. Clients must direct us as to the broker dealer to be used for all client securities transactions. In

directing the use of a particular broker or dealer, it should be understood that we will not have authority to negotiate commissions among various brokers, and best execution may not be achieved, resulting in higher transaction costs for clients. *Not all advisers require their clients to direct brokerage.*

For clients in need of brokerage or custodial services, and depending on client circumstances and needs, we will generally recommend the brokerage services of our firm. Our firm clears its securities transactions through National Financial Services, LLC, an entity unaffiliated with our firm. Our recommendation of our firm's brokerage services creates a significant conflict of interest because the receipt or the possibility of receiving additional compensation creates a strong incentive for our firm to continue providing this recommendation. Please refer to Items 5 and 10 of this Brochure for a more detailed description the policies implemented by our firm to monitor and mitigate the existing conflict of interest.

*Clients are not under any obligation to effect trades through any recommended broker.* Clients may direct us to place trades through another broker. However, we reserve the right to decline acceptance of any client account for which the client directs the use of a broker if we believe that this choice would hinder our fiduciary duty to the client and/or our ability to service the account. Furthermore, clients should understand that under those circumstances, we will not have the authority to negotiate commissions, obtain volume discounts and best execution may not be achieved. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to other clients since our firm may not be able to aggregate orders to reduce transaction costs or the client may receive less favorable prices.

In limited cases, we may accept brokerage discretion for transactions involving certain fixed income investments. In those cases, we will seek to select brokers or dealers which will provide the best services at the lowest prices and commission rates possible. The reasonableness of commissions is based on the broker's ability to provide professional services, competitive commission rates, research and other services which will help us in providing investment management services to clients.

#### Trade Aggregation

We generally aggregate client trades when doing so is advantageous to our clients. Mostly, we will batch client transactions to receive volume discounts and to obtain better and more uniform pricing across client accounts. If we determine that aggregation of trades in a certain situation will be beneficial to our clients, transactions will be averaged as to price and will be allocated among our clients in proportion to the purchase and sale orders placed from each client account on any given day. Any exceptions from the pro-rata allocation procedure will be carefully explained and documented. Such exceptions may occur due to varying cash availability across accounts, divergent investment objectives and existing concentrations, and desire to avoid "odd lots," (an amount of a security that is less than the normal unit of trading for that particular security).

### **Item 13. Review of Accounts**

The following individuals are responsible for reviewing client accounts:

- Robert McKelvey, President, Chief Compliance Officer
- Robert Giunco, Jr., Vice President, Secretary
- Richard Looney, Vice President, Treasurer
- John C. Alexander III, Account Executive
- Kimberly Caldwell, Account Executive
- Daravy Son, Account Executive
- Michael Messinger, Account Executive
- Sharon Jones, Account Executive
- Kim Trzeciak, Account Executive
- Jessica Baumgartner, Account Executive

#### Portfolio Management Services:

Reviews: While the underlying securities within these accounts are continuously monitored, these accounts are reviewed at least once every 90 days by the above-listed individuals. Accounts are reviewed for consistency with client investment strategy, asset allocation, risk tolerance and performance relative to the appropriate benchmark. More frequent reviews may be triggered by changes in an account holder's personal, tax or financial status, bond redemptions, interest/dividends paid, security reorganizations, and cash inflows or outflows. Economic and macroeconomic specific events may also trigger reviews.

Reports: In addition to the monthly/quarterly statements and confirmations of transactions that clients receive from their custodian, our firm will provide detailed portfolio summaries, including a comprehensive advisory letter, on a quarterly basis. We may provide additional reports or reports with different reporting schedules upon client request or as agreed upon at the inception of the relationship.

#### Financial Planning/Consulting Services

Reviews: These client accounts will be reviewed as contracted for at the inception of the advisory relationship.

Reports: Financial Planning clients will receive a completed financial plan. Otherwise, we will not provide any ongoing reviews or reports beyond those specifically outlined in the advisory agreement(s).

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

Other than that already described in this Brochure, our firm does not receive any additional compensation from third parties for providing investment advice to its clients.



**Item 15. Custody**

Since we directly debit client fees from their custodial accounts and act as a broker-dealer for the execution of client transactions, our firm is deemed to have custody of client funds and securities. Custody is defined as any legal or actual ability by our firm to access client funds or securities. We urge all of our investment advisory clients to carefully review and compare their quarterly reviews of account holdings and/or performance results received from us to those they receive from their custodian. If our clients notice any discrepancies, they should notify us and/or the custodian as soon as possible.

**Item 16. Investment Discretion**

For clients granting us discretionary authority to determine which securities and the amounts of securities that are to be bought or sold for their account(s), we request that such authority be granted in writing, typically in the executed investment management agreement.

Should the client wish to impose reasonable limitations on this discretionary authority, such limitations shall be included in the investment management agreement. Clients may change/amend these limitations as desired. Such amendments must be submitted to us by the client in writing.

**Item 17. Voting Client Securities**

As a matter of firm policy, our firm does not vote proxies on behalf of clients. Clients will receive their proxies and other solicitations directly from their custodian or transfer agent and retain sole responsibility for voting. We do not offer clients advice on how to vote their proxies.

**Item 18. Financial Information**

Under no circumstances will we earn fees in excess of \$1,200 more than six months in advance of services rendered.