

# Regent Investment Management LLC

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## **Form ADV Part 2A—Firm Brochure**

This brochure provides information about the qualifications and business practices of Regent Investment Management LLC. **If you have questions about the contents of the brochure, please contact us at the above address or [steve@regentinvest.com](mailto:steve@regentinvest.com).** The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Regent Investment Management LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 Material Changes**

### Material Changes Since the Last Update

Our last brochure was dated January 1, 2021.

We have updated and clarified our discussion of Retirement Plans and Rollovers in Item 4, with regard to our role as a fiduciary and potential conflicts of interest.

We have updated our assets under management in Item 4.

### Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at 502-719-1000 or by email at [steve@regentinvest.com](mailto:steve@regentinvest.com).

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

Regent Investment Management LLC (“Regent”) began operations in mid-2012. Regent’s founding principals have provided the services described herein since 1997. Regent’s principal beneficial owners are Martin N. McClelland, Steven T. Naiser, and Mary D. Jones.

We provide investment supervisory services to and manage investment advisory accounts for individuals, institutions and various other types of entities using a variety of strategies. In the course of our relationship with our clients, we might opine, or be asked to opine about tax, estate planning, or other financial matters, and/or we might share our opinions on such matters with our clients’ tax, legal, and estate planning representatives. Such opinions, when offered, are based on our experience in the investment advisory profession and our exposure to financial matters. We do not provide, nor do we hold ourselves out as providing, financial planning, estate planning, legal, or tax services. Neither we, nor any of our representatives, serve as an attorney or an accountant, and no portion of our services should be construed as such. In the course of our relationship with our clients, our clients might ask us to refer an accounting, legal, financial planning, estate planning, or other professional, and we might give such referral based on our own personal and/or our firm’s experience with such professionals. Clients may choose at their discretion, with no obligation, to engage these professionals. We do not currently have any formal agreements whereby such professionals refer clients to us (see **Item 14 Client Referrals and Other Compensation**), but from time to time such professionals could informally, and with no consideration nor expectation of reciprocity, introduce us to potential clients.

In providing investment supervisory services, our strategies include:

- separately-managed accounts for individual client investment objectives, and
- momentum strategy

In providing portfolio management services, Regent uses various types of instruments including:

- equity and equity-like securities,
- warrants,
- corporate debt securities,
- commercial paper,
- certificates of deposit,
- municipal securities,
- mutual fund and exchange-traded fund shares,
- private funds,
- U.S. government securities, and
- options and futures contracts and other derivative securities.

Each client completes an investment questionnaire as part of opening an account. Regent manages money for clients with individually managed accounts according to their investment goals and risk tolerance. Clients may impose restrictions on investing in certain securities or types of securities. In performing our services, we rely on the information we receive from the client upon opening an account. On an ongoing basis, it is the responsibility of each client to notify Regent if there is any change in their financial situation or investment goals and risk tolerance that may result in reviewing and/or revising Regent's recommendations.

*Retirement Plans and Rollovers.* Some of the accounts that Regent manages are employer retirement plan accounts, individual retirement accounts ("IRA"), and retirement rollovers. When we provide investment advice to a client regarding these types of accounts, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we are compensated creates some conflicts with the client's interests, so we operate under a special rule that requires us to act in the client's best interest and not put our interests ahead of the client's.

A client who leaves an employer typically may engage in one or more of the following four options regarding their retirement plan: (i) leave the assets in the former employer's plan, if permitted; (ii) roll over the assets to their new employer's plan, if available and permitted; (iii) roll over the assets to an IRA; or (iv) cash out the account value (which could, depending on the client's age, result in adverse tax consequences). If Regent recommends that a client roll over their retirement plan assets into an account to be managed by us, such a recommendation creates a conflict of interest in that we will earn new (or increased) compensation as a result of the rollover. No client is under any obligation to roll over retirement plan assets to an account managed by Regent.

*Unaffiliated Private Funds.* As part of our portfolio management services, Regent may provide investment advice regarding unaffiliated private investment funds ("unaffiliated private funds").

Where appropriate for the client's investment objectives, we may recommend on a non-discretionary basis that certain qualified clients consider an investment in unaffiliated private funds. The terms and conditions for participation in these unaffiliated private funds, including the funds' charged management and incentive fees, conflicts of interest, and risk factors, are set forth in the funds' offering documents. Our role related to these unaffiliated private funds will be limited to initial and ongoing due diligence and monitoring services. Clients will review the funds' offering documents and consider their willingness and ability to accept the funds' terms and conditions and risk factors before determining whether to invest. If a client determines to become an investor in one of these unaffiliated private funds, the amount of assets in the fund shall be included as part of the client's assets for the sole purpose of calculating our investment management fee. Regent's clients are under no obligation to consider or make an investment in an unaffiliated private fund. The solicitation of offers to purchase interests in the funds will only be made pursuant to a private offering memorandum and related documents.

*Risks Associated with Unaffiliated Private Funds.* Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each prospective fund investor for review and consideration. Unlike liquid investments that a client may maintain, private investment funds do not provide daily liquidity or pricing. Each prospective fund investor will be required to complete a subscription agreement, pursuant to which the investor establishes that the investor is qualified for investment in the fund, and acknowledges and accepts the various risks that are associated with such an investment.

*Sub-Advisory Services.* Regent serves as a sub-adviser to Diastole Wealth Management ("Diastole"), an unaffiliated SEC-registered investment adviser per the terms and conditions of a written Sub-Advisory Agreement. With respect to Regent's sub-advisory services, Diastole maintains both the initial and ongoing day-to-day relationship with the underlying client, including initial and ongoing determination of client suitability for Regent's designated investment strategies.

*Portfolio Activity.* As part of our investment advisory services, we review client portfolios on an ongoing basis to determine if any changes are necessary, based on various factors including but not limited to market conditions, portfolio investments, account additions/withdrawals, and/or a change in the client's investment objectives (see **Item 13 Review of Accounts**). Based on this review, there may be considerable periods of time when we determine that changes to a client portfolio are neither necessary nor prudent. Clients remain subject to the fees described in **Item 5 Fees and Compensation** during periods of inactivity.

*Investment Risk.* Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or strategy (including those recommended or undertaken by Regent) will be profitable or equal any specific performance level.

Regent managed \$523 million in client assets as of June 30, 2021. These assets are managed primarily on a discretionary basis, although some assets may be non-discretionary.

In late March 2020, the U.S. Treasury Department, through the Small Business Administration, implemented the Payroll Protection Program ("PPP") after the unprecedented shutdown of the U.S. economy in response to the COVID-19 pandemic. The PPP provides loans to small businesses to assist with payroll, rent, and related costs to assure that they are able to retain employees. Because of the uncertainty that this economic shutdown would have on the financial markets and our firm's revenue and capital, we applied for and were granted a loan under the PPP. Accepting this loan neither presents a conflict of interest nor results in any current or future increase of our fees and compensation (see Item 5 below). We have not applied for further loans, and the PPP loan is no longer outstanding.

## Item 5 Fees and Compensation

### Separately Managed Accounts for Individual Client Investment Objectives and Momentum Strategy

Regent offers a percentage of assets under management fee structure for its accounts separately managed for your investment objectives and for accounts managed using the momentum strategy. We generally receive an annual management fee equal to 0.95% of the closing value of the assets in your account, payable as set forth below. Currently, for balanced accounts and for certain advisory relationships, the annual fee is reduced to within a range of 0.40% to 0.925%. The fee is payable quarterly in advance (relating to the **future** time period) within the first thirty days after the end of each quarter and is equal to one-fourth of the applicable annual fee percentage multiplied by the closing value of your assets for the last full monthly period immediately preceding the last month of the quarterly period (i.e., the second month of the quarterly period). Your assets will be priced as reported on the statement sent to you by your custodian bank, trust company or brokerage firm, or as published by Interactive Data Corporation, Bloomberg, Yahoo! ® Finance, The Wall Street Journal or such other source we may determine in good faith in our sole discretion on a consistent basis. Certain clients, by agreement, pay management fees quarterly in arrears (relating to the **past** time period). You may select whether you prefer fees to be deducted directly from your account or to be billed for fees incurred. Although we have established the aforementioned fee schedules, we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets, related accounts, portfolio style, and account composition, among other factors. From time to time, we may waive our management fees for principals and officers of our firm as well as their family members, and/or other clients in certain circumstances. As a result of the above, similarly situated clients could pay different fees.

*Conflict Of Interest.* A small number of clients (fewer than five clients), by agreement, pay reduced annual management fee for certain asset classes versus other asset classes. In these cases, we can earn higher compensation by allocating more assets to higher-fee asset classes, which presents a conflict of interest. To mitigate this risk, we invest client accounts according to their investment objectives, as stated at the onset of our relationship with them and as updated from time to time.

If your assets are invested in mutual funds or exchange-traded funds you will pay both a direct management fee to Regent and indirect fees to the fund managers through the funds.

If your assets are invested in an unaffiliated private fund, you will pay both a direct management fee to Regent and indirect fees to the fund sponsor through the unaffiliated private fund.

Fees for the quarter in which the account is opened or terminated will be prorated. For new accounts, the prorated fee will be calculated based on the closing value of your assets on the date the

account was opened and funded, priced as reported by your custodian bank, trust company, or brokerage firm, or as published by Interactive Data Corporation, Bloomberg, Yahoo! ® Finance, The Wall Street Journal or such other source we may determine in good faith in our sole discretion on a consistent basis.

You may also incur any custodial fees and brokerage and other transaction costs related to trading in your account (for further explanation, please see **Item 12 Brokerage Practices**).

#### Retirement Rollovers and Employer-Sponsored Retirement Accounts

A client or prospective client is under no obligation to engage Regent as the investment adviser for their retirement rollover and/or employer-sponsored retirement accounts. If a client does not engage Regent as the investment adviser and continues to self-direct their retirement account at their employer, the client will not incur a separate management fee as discussed above.

Termination. Under Regent's current form of investment advisory agreement, either party can terminate the agreement upon 30 days' prior written notice to the other party. If you have paid any management fees in advance, upon termination of the investment advisory agreement, we will refund to you a pro rata portion of the management fee as of the termination date. For example, if you pre-pay your fee for a three month billing period but terminate at the end of two months, one-third of your fees will be refunded.

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

Regent does not receive performance-based fees for management of client accounts. See **Item 5 Fees and Compensation** for a discussion of our management fee practices.

#### Item 7 Types of Clients

Regent's clients include:

- individuals,
- pension and profit-sharing plans,
- charitable organizations,
- trusts,
- estates,
- corporations, and
- other pooled investment vehicles.



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

### **Methods of Analysis**

Regent uses charting, cyclical, fundamental and technical analysis for making trading decisions in each of our strategies.

You can lose money, potentially your entire investment, by investing in securities. There is no guarantee of positive results, and you should be prepared to bear any losses that result.

### **Separately-Managed Accounts for Individual Client Investment Objectives**

Regent manages separate accounts for taxable and tax-exempt clients on a discretionary and, from time to time, on a non-discretionary basis. We will invest according to your investment objectives using a limited power of attorney executed by you. Regent cannot guarantee that it will achieve your investment objectives. From time to time, and with prior written notice, clients may invest assets in their account or direct us in the investment of assets in their account.

The funds and securities of your account are held by a bank, trust company, or brokerage firm chosen by you.

Regent invests primarily in publicly-traded equity securities, principally common stocks, but to a lesser degree convertible preferred stocks, mutual funds, exchange-traded funds and other securities with equity characteristics. We may also invest in corporate bonds as well as government, agency, and municipal bonds, and to a lesser degree mutual funds and exchange-traded funds that hold bonds. We may also recommend investments in unaffiliated private funds on a non-discretionary basis. We may also hold a portion of your assets in cash and money market instruments.

Regent seeks to invest with a long-term focus, identifying securities primarily in quality issuers and purchasing them at attractive prices. Factors that contribute to consideration of whether to sell a security include: if we believe it has become overvalued; the issuer's business outlook deteriorates and such deterioration is not reflected in the security price; or for asset allocation or tax planning purposes.

Clients of this strategy include individuals and institutions, including trusts and pooled investment vehicles. While a review of your personal and financial circumstances is completed at the onset (and periodically thereafter), all decisions relating to investment transactions in your managed account are made at the discretion of Regent, though from time to time, you may invest assets in your account or direct us in the investment of assets in your account.

Each client has a primary portfolio manager, and other Regent portfolio managers remain available to assist in the servicing and management of client accounts. We manage each client's account separately and thus might make investment transactions in one or more client accounts that differ

from such transactions in your account with respect to securities, price, and investment timing, among other things. The considerations that are included in our investment decisions with regard to your account, which might differ from our investment decisions in other clients' accounts, include but are not limited to your investment objectives and risk tolerance, any restrictions on investing in certain securities or types of securities that you have imposed, your primary portfolio manager's judgment and investment discretion, the amount of uninvested cash in your account, your upcoming cash needs, the amount of exposure that you have to a specific security, a similar security, and/or the security's industry sector and/or asset class, and the tax ramifications of the investment decision.

When we manage more than one account for you, and when your investment objectives support doing so, we may take a holistic approach, considering all of your accounts collectively as one single portfolio when making investment decisions. With this approach, each of your accounts individually may not hold the same securities, nor the same number of securities, and therefore each account's investment performance may differ. We will take this approach when in our judgment it is advantageous in reducing transaction costs, in reducing transaction volume, and/or when one or more securities is in our judgment more appropriate from a taxation or other standpoint in one of your accounts vs. another.

#### Momentum Strategy

Regent manages portfolios of publicly traded equity and equity-like securities for individuals and institutions using a strategy based on sector and asset class momentum. We may include this strategy for a portion of a client account that is managed for individual client investment objectives, as discussed above. The investment objective under this strategy is to generate a positive absolute rate of return over time combined with risk control through investments in industry sectors and asset classes. Regent uses a proprietary, momentum-based sector and asset class rotation model for this strategy. We cannot guarantee we will achieve the investment objective.

Regent invests assets under this strategy principally via sector- and asset class-focused mutual funds and exchange-traded funds. In the future, we may invest in individual issuers of publicly-traded equity and debt securities. If there is an insufficient number of industry sectors and asset classes exhibiting sustained momentum, we may hold a portion of assets in cash and money market instruments. We do not currently engage in short sales of securities in this strategy, but we may do so in the future.

Regent buys and sells securities under this strategy such that the assets are turned over on average three times each year.

#### Trade Errors

Regent has a written policy for dealing with the gains and losses associated with trading errors in its client accounts. In particular, we are required to make clients whole, communicate adverse errors to clients with separately managed accounts, and document the errors in a trade error file. We make clients whole by crediting gains to their accounts and reimbursing any losses.

### Risks

Different types of investments involve varying degrees of risk – including the risk of total loss – and it should not be assumed that future performance of any specific investment or strategy (including those recommended or undertaken by Regent) will be profitable or equal any specific performance level.

### **Item 9 Disciplinary Information**

There have been no disciplinary or legal actions taken against Regent or any member of Regent.

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

In addition to his responsibilities at Regent, one of Regent’s principals – Martin N. McClelland – also serves as Chairman of the Board of Directors of Enterprise Angels Community Fund I LLC (“EACF”), and on the advisory boards of Bluegrass Angel Venture Fund IV, LLC (“BAVF”) and Kentucky Select Fund LLC (“KSF”), pooled investment funds investing in private companies in the state of Kentucky. Mr. McClelland serves EACF and BAVF on a strictly volunteer basis, without compensation. As a member of the advisory board of KSF, Mr. McClelland and other board members receive compensation via a percentage of the fund’s realized gains. (Regent principals, including Mr. McClelland have chosen to invest personally in EACF, BAVF, and KSF.) While Mr. McClelland’s efforts with EACF, BAVF, and KSF are generally undertaken on personal time and/or outside of normal market hours, his involvement with the funds represents a conflict of interest in that it may require some of Mr. McClelland’s time that would otherwise be spent on the affairs of Regent’s business, including servicing and managing client accounts. To address this conflict, Regent’s Chief Compliance Officer monitors Mr. McClelland’s involvement with EACF, BAVF, and KSF. Furthermore, each Regent portfolio manager is available to assist in the servicing and management of any client account consistent with the client’s stated investment objectives.

In addition to her responsibilities at Regent, one of Regent’s principals – Mary D. Jones – also provides independent consulting services for the coordination of initiatives within the complete investment, tax, philanthropic, and estate plans for a family for whom Ms. Jones provided these services before she joined Regent. These services are not among the services that Regent offers to other clients. These independent activities present a conflict of interest in that they require some of Ms. Jones’s time that would otherwise be spent on the affairs of Regent’s business, including servicing and managing client accounts. To address this conflict, each Regent portfolio manager is

available to assist in the servicing and management of any client account consistent with the client's stated investment objectives.

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

Regent requires its officers, employees, and principals to annually submit a report of their securities holdings and to certify that they have complied with our Code of Ethics ("Code"), adopted pursuant to Rule 204A-1 of the Investment Advisers Act of 1940, as amended. The Code sets forth our expectations with respect to certain aspects of each person's relationship with Regent.

The Code addresses, among other things, conflicts of interest, personal trading of securities, insider trading, compliance procedures and potential sanctions for violations of the Code. The Code is designed to prevent fraudulent, deceptive and manipulative practices as well as institute procedures to prevent violations of the Code. You may obtain a copy of Regent's Code by contacting our Chief Compliance Officer.

Regent does not plan to purchase or sell securities for its own account. Our principals and officers, and their immediate family members, may from time to time maintain a separate account for which we serve as investment adviser along with our management of other client accounts.

Regent's Code provides that officers and employees may not trade publicly-traded securities unless each such trade is approved in advance by our Chief Compliance Officer or its designee. Regent's personal trading policy provides that generally no officer or employee may trade a security at any time within one trading day before (and in certain circumstances within one trading day after) the date a client's account for which the firm is responsible executes a trade with respect to such security, unless none of the trades is material in size for the security as set forth in the policy's criteria. Regent's personal trading policy does not apply to open-ended mutual funds, for which pricing is based on the fund's net asset value as determined at the close of trading.

Trades at the direction of Regent in accounts managed by us are not subject to the personal trading restrictions described above. All officers, employees, and principals are required to submit reports to the Chief Compliance Officer of all trades in equity securities not later than 30 days after the end of each calendar quarter.

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

Regent will be responsible for placing all orders for the purchase and sale of portfolio securities for our clients, though from time to time, our clients may invest assets in their account or direct us in the investment of assets in their account. Prior to engaging Regent to provide investment supervisory services, the client will be required to enter into a formal Investment Advisory

Agreement with Regent setting forth the terms and conditions under which Regent shall advise on the client's assets, and a separate custodial agreement with each designated broker-dealer/custodian (see below regarding designation of broker-dealer/custodian).

Clients are asked to designate the broker-dealer/custodian through which their transactions are executed. Regent reserves the right to limit the extent to which these clients may designate broker-dealers/custodians for the execution of their transactions. Client direction of brokerage may limit or eliminate our ability to negotiate commissions or obtain the best price and execution. It may also result in a disparity in commission charges among clients. For example, such direction may limit our ability to negotiate volume commission discounts on aggregated orders, costing you more money. If the client requests that we recommend a broker-dealer/custodian for execution and/or custodial services, we generally recommend Charles Schwab & Co. ("Schwab") and/or Fidelity Investments ("Fidelity"). Prior to engaging us to provide investment management services, the client will be required to enter into a separate custodial/clearing agreement with the designated broker-dealer/custodian.

Factors that we consider in recommending Schwab and/or Fidelity (or any other broker-dealer/custodian) to clients include the broker-dealer's/custodian's historical relationship with Regent, financial strength, reputation, execution capabilities, pricing, research, and service. Schwab and Fidelity (and other broker-dealers/custodians) may charge commissions and/or transaction fees for affecting securities transactions, which are borne by the client. Although the commissions and/or transaction fees paid by Regent's clients shall comply with the Regent's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to affect the same transaction where Regent determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determining factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Regent will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Regent's investment management fee. Regent's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

#### Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, we may receive from *Schwab and/or Fidelity* (or another broker-dealer/custodian, investment manager, platform or fund sponsor) without cost (and/or at a discount) support services and/or products, certain of which assist us to better monitor and service client accounts maintained at such institutions. Included within the support services

that we may be obtained may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software, and other products used by Regent in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that we may receive may assist us in managing and administering client accounts. Others do not directly provide such assistance, but rather assist us to manage and further develop our business.

Regent's clients do not pay more for investment transactions effected and/or assets maintained at *Schwab and/or Fidelity* as a result of this arrangement. There is no corresponding commitment made by us to *Schwab and/or Fidelity* or any other any entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

With respect to certificates of deposit, bonds, and other debt instruments, where availability of investible securities, liquidity, and/or security pricing can vary from broker to broker, we may execute transactions through a brokerage firm, bank, or trust company other than the broker designated by the client, where doing so would in our judgment benefit the client. In this event, the client generally will incur both a fee (a trade commission or mark-up/mark-down) charged by the executing broker-dealer and a separate "trade away" and/or prime broker fee charged by the account custodian.

We do not normally undertake trade aggregation (or "block trading") for clients with accounts invested in accordance with their individual investment objectives. In some cases, we may aggregate trades for multiple clients through the same client-directed broker for the purpose of order entry efficiency. Executed block trades are allocated to client accounts on an average-cost basis. If a block trade does not execute in full, we will make a reasonable allocation of the partially-executed block, based on these factors:

- available cash in your account; and/or
- current holdings in your account (*i.e.*, most pressing need or lack thereof for your exposure to the stock and/or the industry sector); and/or
- prorata allocation.

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

You will receive monthly or quarterly statements by mail or electronically from the custodian bank, trust company or the brokerage firm selected by you and approved by us. You also receive trade confirmations for each security transaction from the executing broker.

#### **Momentum Strategy**

Portfolio managers review client portfolios invested with the momentum strategy each morning. Portfolio holdings are evaluated against the buy, hold, and sell indications of Regent's proprietary sector and asset class rotation model. Desired portfolio changes are identified by the portfolio managers before the trading day begins.

#### **Separately Managed Accounts for Individual Client Investment Objectives**

The review of client portfolios separately managed in accordance with the client's individual investment objectives varies because of differences in client guidelines, client circumstances and the timing of investments.

We periodically scrutinize the various securities held in these portfolios. If a reason to reevaluate any investment is found, the security is then reviewed. Investments in this strategy are longer term in nature. Typically, the various securities held in client portfolios are reviewed at least once each business day by a portfolio manager. However, every client portfolio is generally reviewed at least once each week.

At your request, a Regent portfolio manager will meet personally with you and review account performance and general market outlook.

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

Regent has entered into an agreement in the past with one or more third parties who refer clients to us. While we do not have any such agreements at the present, we could enter into such agreements in the future. Under such agreements, we compensate these persons with a percentage of our management fee paid to us by the referred client. Under such agreements, the fees payable by the referred client to Regent will be no higher than those that the client would have paid if the client had approached us directly and had not been introduced by a third party. We may execute transactions, from time to time, through brokers affiliated with such third parties, but such executions are neither

conditioned upon nor compensation for such referrals. There is no affiliation or relationship other than that referred to herein between Regent and these third parties.

Regent is aware of the special considerations described in Section 206(4)-3 of the Investment Advisers Act of 1940. As such, we will make appropriate disclosures, maintain all written instruments and observe all applicable federal and state laws.

### **Item 15 Custody**

Regent has the authority to deduct its management fees directly from the clients' accounts. The clients' qualified third-party custodians send account statements directly to the clients at least quarterly. Clients should carefully review those statements. The client's custodian does not verify the accuracy of Regent's management fee calculation.

In some cases, clients have authorized Regent to initiate movement of funds to and from their accounts to accounts at the same or another institution held in the client's name, or to accounts held in the name of a third party (other than a Regent employee, principal, or officer). Regent does not have this authority unless requested and authorized in writing by the client.

### **Item 16 Investment Discretion**

Regent has full discretionary authority to manage securities on our clients' behalf. Each individual client executes an investment management agreement that includes a limited power of attorney.

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

Regent has adopted written proxy voting guidelines in accordance with Rule 206(4)-6 of the Investment Advisers Act of 1940, as amended. You may obtain a copy of our proxy policy and voting procedures as well as our voting record by contacting our Chief Compliance Officer.

Regent has retained a third-party proxy voting service to vote proxies for securities held in its affiliated private funds and individually managed accounts for which the client has delegated proxy voting authority to us. We have instructed the proxy service to follow standard voting policies established by Glass, Lewis & Co. to ensure that proxies are voted in the best interests of the clients.

Under Regent's guidelines, the third-party proxy voting service generally will vote in accordance with corporate management's recommendations on matters such as:

- uncontested director nominees and
- ratification of the selection of auditors and similar matters.



The voting service will vote generally against management's recommendations on matters such as:

- proposals which would reduce the rights or options of shareholders,
- proposals which would reduce the value of shareholders' investments,
- "poison pills" (anti-takeover proposals),
- provisions requiring supermajority (more than 50%) approval of transactions, and
- any other matters designed to limit the ability of shareholders to approve transactions.

When a proxy vote is required on a subject that is outside Regent's prescribed guidelines, the portfolio managers will decide how to vote the proxy in the best interests of the clients. If conflicts of interests are discovered, we may refrain from voting the proxies.

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

We do not require or solicit payment of fees in excess of \$1,200 per client more than six months in advance for services rendered. We have not been the subject of a bankruptcy petition. Therefore, we are not required to include a financial statement with this brochure.

We have no additional financial circumstances to report.

#### **Item 19 Requirements for State-Registered Advisers**

Not applicable.

# Regent Investment Management LLC

4350 Brownsboro Road, Suite 120  
Louisville, KY 40207  
502-719-1000  
01/01/2021

## **Form ADV Part 2B—Firm Brochure Supplement**

Supervised Persons:

Martin N. McClelland  
Steven T. Naiser  
Mary D. Jones

This brochure supplement provides information about the supervised persons of Regent Investment Management LLC, listed above, that supplements Regent Investment Management LLC's brochure. You should have received a copy of that brochure. Please contact us at the above address or [steve@regentinvest.com](mailto:steve@regentinvest.com), if you did not receive Regent Investment Management LLC's brochure or if you have any questions about the contents of this supplement.

You can receive additional information about the supervised persons of Regent Investment Management LLC by accessing the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov), or by calling Martin N. McClelland at 502-719-1000

Supervised Person:

**Martin N. McClelland**

**Item 2 Educational Background and Business Experience**

Mr. McClelland, born in 1960, serves as President of Regent Investment Management LLC. In 1994, Mr. McClelland formed Alta Capital, Inc., an investment advisory firm. In 1997, Alta Capital merged with Regent Group. Mr. McClelland became President and Chief Investment Officer of Regent Group in 1999. In June 2006, Regent Group joined with Mainstream Investment Advisers, LLC, an investment advisory firm, and Mr. McClelland became Managing Director and Portfolio Manager for Mainstream Investment Advisers, LLC. Regent Investment Management LLC began investment advisory services as a spin-off from Mainstream Investment Advisers, LLC in mid-2012. Mr. McClelland holds a B.S. in mechanical engineering from Purdue University and a M.B.A. from Harvard University.

**Item 3 Disciplinary Information**

None.

**Item 4 Other Business Activities**

In addition to his responsibilities at Regent, Mr. McClelland serves as Chairman of the Board of Directors of Enterprise Angels Community Fund I LLC (“EACF”), and on the advisory boards of Bluegrass Angel Venture Fund IV, LLC (“BAVF”) and Kentucky Select Fund LLC (“KSF”), pooled investment funds investing in private companies in the state of Kentucky. Mr. McClelland serves EACF and BAVF on a strictly volunteer basis, without compensation. As a member of the advisory board of KSF, Mr. McClelland and other board members receive compensation via a percentage of the fund’s realized gains.

**Item 5 Additional Compensation**

None.

**Item 6 Supervision**

Steven T. Naiser, Regent’s Chief Compliance Officer, has overall supervisory responsibility for Mr. McClelland, including the advice provided to clients. Every supervised person has responsibility for knowing and following the firm’s policies and procedures, which include our Code of Ethics. Mr. Naiser’s contact information is the same as that of Regent Investment Management LLC, located on the cover page of this brochure supplement.

Supervised Person:

**Steven T. Naiser**

**Item 2 Educational Background and Business Experience**

Mr. Naiser, born in 1962, is Vice President and Chief Compliance Officer of Regent Investment Management. From September 1994 until April 2000, Mr. Naiser served as Executive Director and Chief Operating Officer of University Cardiothoracic Surgical Associates, PSC. From April 2000 until June 2006, Mr. Naiser served as Vice President and Portfolio Manager of Regent Group. In June 2006, Mr. Naiser became a Director and Portfolio Manager of Mainstream Investment Advisers, LLC. Regent Investment Management LLC began investment advisory services as a spin-off from Mainstream Investment Advisers, LLC in mid-2012. Mr. Naiser has earned the Chartered Financial Analyst designation and is a member of the CFA Society of Louisville and the CFA Institute. Mr. Naiser holds a B.A. in business from Eastern Kentucky University and a M.B.A. from University of Washington.

The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential awarded by the CFA Institute. To earn the CFA charter, candidates must:

- pass three sequential, six-hour examinations,
- have at least four years of qualified professional investment experience,
- join the CFA Institute as members, and
- commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

**Item 3 Disciplinary Information**

None.

**Item 4 Other Business Activities**

None.

**Item 5 Additional Compensation**

None.

**Item 6 Supervision**

Mr. Naiser is Regent Investment Management LLC's Chief Compliance Officer. Martin N. McClelland, as Regent Investment Management LLC's President, has overall supervisory responsibility over Mr. Naiser, including the advice provided to clients. Every supervised person will have a responsibility for knowing and following the firm's policies and procedures, which include our Code of Ethics. Mr. McClelland's contact information is the same as that of Regent Investment Management LLC, located on the cover page of this brochure supplement.

Supervised Person:

**Mary D. Jones**

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

Ms. Jones, born in 1965, is a Portfolio Manager of Regent Investment Management. From March, 1999 to March, 2005, Ms. Jones was Vice President and Portfolio Manager of Hilliard Lyons Asset Management. From March, 2005 to July, 2013, Ms. Jones was Executive Vice President, Portfolio Manager, and Director of Family Office Services for Atlas Brown, Inc. Ms. Jones joined Regent Investment Management in July, 2013. Ms. Jones has earned the Chartered Financial Analyst designation and is a member of the CFA Society of Louisville and the CFA Institute. Ms. Jones graduated from the University of Louisville with a B.S.B.A. with honors in Finance.

The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential awarded by the CFA Institute. To earn the CFA charter, candidates must:

- pass three sequential, six-hour examinations,
- have at least four years of qualified professional investment experience,
- join the CFA Institute as members, and
- commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

### **Item 3 Disciplinary Information**

None.

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

Ms. Jones also provides independent consulting services for the coordination of initiatives within the complete investment, tax, philanthropic, and estate plans of a family with which Regent Investment Management LLC has an investment advisory relationship. Ms. Jones's independent consulting relationship with this family predates her employment with Regent and predates Regent's investment advisory relationship with the family.

### **Item 5 Additional Compensation**

None.

### **Item 6 Supervision**

Martin N. McClelland, as Regent Investment Management LLC's President, has overall supervisory responsibility over Ms. Jones, including the advice provided to clients. Every supervised person will have a responsibility for knowing and following the firm's policies and procedures, which include our Code of Ethics. Mr. McClelland's contact information is the same as that of Regent Investment Management LLC, located on the cover page of this brochure supplement.