

## Item 1 Cover Page

# Henley & Company Wealth Management LLC

506 RXR Plaza  
Uniondale, New York 11556

Telephone (516) 794-5520  
Facsimile (516) 794-6207

[www.henleyandcompany.com](http://www.henleyandcompany.com)

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## FORM ADV PART 2A BROCHURE

This brochure provides information about the qualifications and business practices of Henley & Company Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact us at (516) 794-5520. 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 Henley & Company Wealth Management, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Henley & Company Wealth Management, LLC is 144884.

Henley & Company Wealth Management, LLC is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## Item 2 Summary of Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since our last annual updating amendment dated August 24, 2021, we have made the following material changes:

We have disclosed an arbitration in *Item 19 Additional Information*.

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## Item 4 Advisory Business

Henley & Company Wealth Management LLC ("Henley Wealth") is a registered investment adviser primarily based in Uniondale, New York. We also maintain a branch office in New York, New York and we have advisors in Uniondale, New York. Our firm is organized as a limited liability company under the laws of the State of New York and we have been providing investment advisory services since 2007. Francis Patrick Gemino is our principal owner.

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "firm", "we", "our" and "us" refer to Henley & Company Wealth Management, LLC and the words "you", "your" and "client" refer to you as either a client or prospective client of our firm. Also, you may see the term Associated Person or Investment Adviser Representative throughout this brochure. As used in this brochure, our Associated Persons or Investment Adviser Representatives are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm.

We provide our clients with discretionary and non-discretionary portfolio management services. Our portfolio management accounts are managed directly by investment adviser representatives of our firm.

### **Portfolio Management Services**

We provide discretionary and non-discretionary portfolio management services where the investment advice provided is tailored to meet your needs and investment objectives. At the inception of the relationship, we will gather relevant information from you such as your risk tolerance, investment objectives and financial profile and will recommend an initial portfolio to you. Once the portfolio is constructed, we monitor your account on an ongoing basis and re-balance your portfolio as changes in market conditions and your circumstances may require.

Additionally, as part of our portfolio management services, we provide complimentary financial planning. Financial planning will typically involve providing a variety of advisory services to you regarding the management of your financial resources based upon an analysis of your individual needs. The primary objective of this process is to allow us to assist you in developing a strategy for the successful management of income, assets and liabilities in meeting your financial goals and objectives.

If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow our firm to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm, a power of attorney, or trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with your restrictions and guidelines in writing. If you enter into a non-discretionary arrangement with our firm, we must obtain your approval prior to executing any transactions on behalf of your account. You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

Portfolio management fees are negotiable and are set by the Investment Adviser Representative servicing your account. The agreed upon fee schedule will be set forth in the agreement for services. Our fee for portfolio management services is based on a percentage of the assets in your account and is set forth in the following annual fee schedule:

### **Annual Fee Schedule**

<b>Assets Under Management</b>	<b>Annualized Fee</b>
First \$200,000	2.00%
Next \$300,000	1.75%
Over \$500,000	1.25%

Certain clients may have different fees than those stated above. Depending on the relationship, certain clients may pay ticket charges imposed by Pershing, LLC, the account custodian, for transactions in accounts while ticket charges are not imposed on other clients.

Our fee is billed and payable quarterly in advance based on the market value of your account on the last day of the previous quarter. Fees will be assessed pro rata in the event the portfolio management agreement is executed at any time other than the first day of a calendar quarter, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client.

We may allow accounts of members of the same household to be aggregated for purposes of meeting the minimum account size or fee breakpoints. We may allow such aggregation, for example, where we service accounts on behalf of minor children of current clients, individual and joint accounts for a spouse, and other types of related accounts.

We will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy.

Either party, upon 30-days' written notice to the other, may terminate the management agreement. The management fee will be pro-rated for the quarter in which the cancellation notice was given. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

Upon termination, you become responsible for monitoring your own asset and our firm has no further obligation to act upon or to provide advice with respect to those assets.

### **Wrap Fee Programs**

We do not participate in any wrap fee program.

### **Types of Investments**

We do not primarily offer advice on one type of security over another and offer advice on a broad range of investments. You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

### **Assets Under Management**

As of December 31, 2020, we manage \$40,290,443.57 in client assets on a discretionary basis and \$579,293.33 on a non-discretionary basis.

## Item 5 Fees and Compensation

Refer to the *Advisory Business* section in this Brochure for information on our advisory fees, fee deduction arrangements, and refund policy according to each service we offer.

### **Additional Fees and Expenses**

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. Refer to the *Brokerage Practices* section below for additional disclosures.

We may trade client accounts on margin. Each client must sign a separate margin agreement *before* margin is extended to that client account. Fees for advice and execution on these securities are based on the total asset value of the account, which includes the value of the securities purchased on margin. While a negative amount may show on a client's statement for the margined security as the result of a lower net market value, the amount of the fee is based on the absolute market value. This could create a conflict of interest where we may have an incentive to encourage the use of margin to create a higher market value and therefore receive a higher fee. The use of margin may also result in interest charges in addition to all other fees and expenses associated with the security involved.

### **Compensation for the Sale of Securities or Other Investment Products**

Persons providing investment advice on behalf of our firm are registered representatives with Henley & Company, LLC, a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. In their capacity as registered representatives, these persons will receive commission-based compensation in connection with the purchase and sale of securities or other investment products, including asset-based sales charges, service fees or 12b-1 fees, for the sale or holding, of mutual funds for the sale of investment company products. Compensation earned by these persons in their capacities as registered representatives is separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice to advisory clients on behalf of our firm who are registered representatives have an incentive to recommend investment products based on the compensation received effect securities transactions for the purpose of generating commissions rather than solely based on your needs. Persons providing investment advice to advisory clients on behalf of our firm can select or recommend, and in many instances will select or recommend, mutual fund investments in share classes that pay 12b-1 fees when clients are eligible to purchase share classes of the same funds that do not pay such fees and are less expensive. This presents a conflict of interest. You are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with our firm who receives compensation described above.

Our affiliated broker-dealer receives 12b-1 fees in connection with the sale or holdings of mutual funds for advisory client accounts. This compensation is separate and in addition to our advisory fees. This practice presents a conflict of interest because we have an incentive to recommend mutual funds for which our broker-dealer will receive 12b-1 fees rather than solely based on your needs. We can select or recommend, and in many instances will select or recommend to our advisory clients, mutual fund investments in share classes that pay 12b-1 fees when clients are eligible to purchase share classes of

the same funds that do not pay such fees and are less expensive. This presents a conflict of interest. You are under no obligation, contractually or otherwise, to purchase or hold securities products through our affiliated broker-dealer.

Our affiliated broker-dealer receives additional revenue from investing customer cash in money market funds with our custodian, Pershing LLC. This presents a conflict of interest.

Executive officers and other Associated Persons providing investment advice on behalf of our firm are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

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

We do not accept performance-based fees or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described in the *Advisory Business* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

## **Item 7 Types of Clients**

We offer investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

In general, we require a minimum of \$25,000 to open and maintain an advisory account. At our discretion, we may waive this minimum account size. For example, we may waive the minimum if you appear to have significant potential for increasing your assets under our management. We may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum.

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

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

- Charting Analysis - involves the gathering and processing of price and volume information for a particular security. This price and volume information is analyzed using mathematical equations. The resulting data is then applied to graphing charts, which is used to predict future price movements based on price patterns and trends.
- Fundamental Analysis - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.
- Technical Analysis - involves studying past price patterns and trends in the financial markets to

predict the direction of both the overall market and specific stocks.

- Cyclical Analysis - a type of technical analysis that involves evaluating recurring price patterns and trends.
- Long Term Purchases - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.
- Short Term Purchases - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.
- Margin Transactions - a securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan. If the value of the shares drops sufficiently, the investor will be required to either deposit more cash into the account or sell a portion of the stock in order to maintain the margin requirements of the account. This is known as a "margin call." An investor's overall risk includes the amount of money invested plus the amount that was loaned to them.
- Options Writing/Trading - a securities transaction that involves buying or selling (writing) an option. If you write an option, and the buyer exercises the option, you are obligated to purchase or deliver a specified number of shares at a specified price at the expiration of the option regardless of the market value of the security at expiration of the option. Buying an option gives you the right to purchase or sell a specified number of shares at a specified price until the date of expiration of the option regardless of the market value of the security at expiration of the option. Options are complex investments and can be very risky, especially if the investor does not own the underlying stock. In certain situations, an investor's risk can be unlimited.

### **Risks Associated with Methods of Analysis and Investment Strategies**

Charting and Technical Analysis - The risk of market timing based on technical analysis is that charts may not accurately predict future price movements. Current prices of securities may reflect all information known about the security and day to day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Fundamental Analysis - The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Cyclical Analysis - The risk of cyclical analysis is that economic/business cycles may not be predictable and may have many fluctuations between long term expansions and contractions. The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

### **Investment Strategy and Tax Disclosures**

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

We may use short-term trading (in general, selling securities within 30 days of purchasing the same securities) as an investment strategy when managing your account(s). Short-term trading is not a fundamental part of our overall investment strategy, but we may use this strategy occasionally when we determine that it is suitable given your stated investment objectives and tolerance for risk.



Our strategies and investments may have unique and significant tax implications. We generally take tax efficiency into consideration in the management of your assets. Nonetheless, regardless of your account size or any other factors, we recommend that you consult with a tax professional prior to and throughout the investing of your assets.

Moreover, as a result of revised IRS regulations, custodians will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the FIFO (First-In First-Out) accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as tax law requires that the cost basis method remain unchanged after settlement.

### **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. You understand that our investment recommendations for your account are subject to various market, currency, economic, political and business risks, and that those investment decisions will not always be profitable. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

### **Recommendation of Particular Types of Securities**

As disclosed under the *Advisory Business* section above, we recommend all types of securities and we do not necessarily recommend one particular type of security over another since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

## **Item 9 Disciplinary Information**

Henley & Company Wealth Management, LLC is a registered investment adviser. This section contains information about certain disciplinary matters that we believe are material to a client's evaluation of its advisory business or the integrity of its management.

On March 8, 2019, the SEC entered an order (the "Order") against Henley Wealth for breaches of fiduciary duty and inadequate disclosures in connection with its mutual fund share class selection practices and the fees we, our affiliated broker-dealer, and our associated persons received. Henley Wealth voluntarily participated in the SEC's Share Class Selection Disclosure Initiative. In the Order, the SEC found that at times during the period from January 2014 to June 2017, Henley Wealth purchased, recommended, or held for advisory clients mutual fund share classes that charged 12b-1 fees instead of lower-cost share classes of the same funds for which the clients were eligible. Henley Wealth, our affiliated broker-dealer, and our associated persons received 12b-1 fees in connection with these investments, and we failed to disclose on our Form ADV or otherwise the conflicts of interest related to (a) our receipt of 12b-1 fees and/or (b) our selection of mutual fund share classes that pay such fees, in violation of Section 206(2) of the Investment Advisers Act. Henley Wealth agreed to a censure, to cease and desist from future violations of Section 206(2) of the Advisers Act, and to pay disgorgement of \$32,657 and prejudgment interest of \$4,209.

## Item 10 Other Financial Industry Activities and Affiliations

### Registrations with Broker-Dealer and Arrangements with Affiliated Entities

We are affiliated with Henley & Company, LLC ("H&C"), through common control and ownership. H&C is a securities broker-dealer and member FINRA, SIPC and MSRB. As disclosed above, Associated Persons of our firm may also be licensed as registered representatives to sell securities through H&C. We will recommend that you use the brokerage services of H&C if appropriate and suitable for your needs. You are under no obligation to engage H&C for such services. Our advisory services and associated fees are separate and distinct from any compensation you pay to H&C for brokerage and related services. Refer to the *Fees and Compensation* section above and the *Brokerage Practices* section below for additional disclosures.

The referral arrangement we have with our affiliate presents a conflict of interest because we may have a financial incentive to recommend H&C's services. While we believe that compensation charged by H&C is competitive, such compensation may be higher than fees charged by other firms providing the same or similar services. You are under no obligation to use our affiliates' services and may obtain comparable services and/or lower fees through other firms.

Refer to the *Fees and Compensation* section above for additional disclosures on this topic.

### Insurance Licenses

Associated Persons of our firm may also be separately licensed as independent insurance agents. Refer to the *Fees and Compensation* section above for additional disclosures on this topic.

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

### Description of Our Code of Ethics

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm. Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

### Participation or Interest in Client Transactions

Certain investment advisory clients may have brokerage accounts with Henley & Company, LLC, our affiliated broker dealer. In providing brokerage services to these clients separate and apart from their advisory accounts Henley & Company may enter into riskless principal transactions. However, these activities are unrelated to our advisory activities and do not occur in advisory accounts.

### Personal Trading Practices

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. We may also combine our orders to purchase securities with your orders to purchase securities ("block trading"). Please refer to the "Brokerage Practices" section in this Brochure for information on our block trading practices.

A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our firm policy that we shall not have priority over your account in the purchase or sale of securities.

## **Item 12 Brokerage Practices**

We recommend the brokerage and custodial services of Henley & Company, LLC ("H&C"), our affiliated broker-dealer and Pershing, LLC ("Pershing"), the clearing firm for Henley & Company, LLC, registered broker-dealers and members of FINRA and SIPC. We believe H&C and Pershing provide quality execution services for you at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by H&C and Pershing, the firms' reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. You may pay higher commissions and/or trading costs than those that may be available elsewhere.

Persons providing investment advice on behalf of our firm who are registered representatives of H&C will recommend H&C to you for brokerage services. These individuals are subject to applicable rules that restrict them from conducting securities transactions away from H&C unless H&C provides the representative with written authorization to do so. Therefore, these individuals are generally limited to conducting securities transactions through H&C. It may be the case that H&C charges higher transactions costs and/or custodial fees than another broker charges for the same types of services. You may utilize the broker-dealer of your choice and have no obligation to purchase or sell securities through such broker as we recommend. However, if you do not use H&C we may not be able to accept your account. Refer to the *Fees and Compensation* section above for additional disclosures on this topic.

You should be aware that best execution and lower commissions may not necessarily be achieved if recommended transactions are placed through Associated Persons of our firm in their separate capacity as a registered representative of H&C or as a licensed insurance agent/broker.

### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

### **Directed Brokerage**

In limited circumstances, and at our sole discretion, some clients may instruct our firm to use one or more particular brokers for the transactions in their accounts. If you choose to direct our firm to use a particular broker, you should understand that this might prevent from effectively negotiating brokerage commissions on your behalf. This practice may also prevent our firm from obtaining favorable net price and execution. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that you will obtain through your broker are adequately favorable in comparison to those that we would otherwise obtain for you.

### **Block Trades**

Transactions for each client generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at approximately the same time. We may, but are not obligated to, combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs on any given

day. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

In the event orders are not block traded, you may pay different prices for the same securities transactions than other clients pay. Furthermore, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than if orders were block traded.

## **Item 13 Review of Accounts**

James Brown (only a reviewer in the state of Virginia), Ira Rousso, James Albanese, Caitlin McShane, Investment Adviser Representatives, Michael Laderer, Managing Director, or Francis Gemino Managing Member, will monitor portfolio management accounts on a continuous basis. Maria Germano-Alessi, Chief Compliance Officer, will conduct a review of accounts at least quarterly. Triggering factors that may stimulate a review include, but are not limited to, significant market corrections, large deposits or withdrawals from an account, substantial changes in the value of a client's portfolio and a change in the client's investment objectives.

We will provide you with a written quarterly performance report, including a summary of account activity and account holdings, on as needed basis and/or at your request. In addition, you will receive statements directly from your account custodian(s) on a quarterly basis.

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

We do not directly or indirectly compensate non-employee (outside) consultants, individuals, and/or entities (Solicitors) for client referrals.

Certain of our Associated Persons are licensed insurance agents and are registered representatives with Henley & Company, LLC, a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. Refer to the *Fees and Compensation* section above for additional disclosures on this topic.

## **Item 15 Custody**

As paying agent for our firm, your independent custodian may directly debit your account(s) for the payment of our advisory fees, but only if you previously consented to such deduction in writing. This authority to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy. We may also provide statements to you reflecting the amount of advisory fee deducted from your account.

You should compare any statements you receive from us with the statements from your account custodian(s) to reconcile the information reflected on each statement. If you have a question regarding your account statement or if you did not receive a statement from your custodian, please contact Maria Germano-Alessi, Chief Compliance Officer, at (516) 794-5520.

## Item 16 Investment Discretion

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement. If you engage us to provide investment advisory services on a discretionary basis, we have the authority to determine the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Refer to the *Advisory Business* section above for more information on our discretionary management services.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

## Item 17 Voting Client Securities

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

## Item 18 Financial Information

Our firm does not have any financial conditions or impairments that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and, we do not require the prepayment of more than \$1,200 in fees six or more months in advance nor have we filed a bankruptcy petition at any time in the past ten years. Therefore, we are not required to include a financial statement with this brochure.

## Item 19 Additional Information

### Affiliate Arbitration

H&C received notice of an arbitration on October 14, 2021 which named H&C and the following individuals: Mr. Francis Gemino, Mr. Michael Laderer, and Ms. Germano-Alessi. Mr. Gemino, Mr. Laderer, and Ms. Germano-Alessi are each control persons of Henley Wealth. The arbitration alleges that the named individuals failed to provide reasonable, adequate, and meaningful supervision over one of its registered representatives.

### Internal Investigation

Our Firm has initiated an internal investigation of a former investment adviser representative (IAR). The investigation is ongoing at this time. The investigation relates to an investment the IAR made away from our Firm of which we were previously unaware. We became aware of the investment on August 12, 2021 and initiated the investigation on that date. We are in the process of contacting clients of the IAR. The investigation is ongoing and we will provide updates as more information becomes available.

**Your Privacy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of our privacy policy notice to you on an annual basis. Please contact us at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

**Trade Errors**

In limited circumstances, we may make an error in submitting a trade on your behalf. In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. In the event the trading error results in an erroneous profit, the profit will not be allocated to the client as the custodian or representatives of Henley & Company, LLC would maintain the profit.

**Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.