

Item 1 – Cover Page

Lesko Securities, Inc. Firm Brochure - Form ADV Part 2A

This brochure provides information about the qualifications and business practices of Lesko Securities, Inc. If you have any questions about the contents of this brochure, please contact us at (607) 724-2421 or by email at: info@leskofinancial.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 Lesko Securities, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. Lesko Securities, Inc.'s CRD number is: 10091.

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Registration does not imply a certain level of skill or training.

Version Date: March 2021

Item 2: Material Changes

There are no material changes in this brochure from the last annual updating amendment of Lesko Securities, Inc. on 03/23/2020. Material changes relate to Lesko Securities, Inc. policies, practices or conflicts of interests only.

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Item 4: Advisory Business

A. Description of the Advisory Firm

Lesko Securities, Inc. (hereinafter "LSI") is a Corporation organized in the State of Delaware. The firm was formed in November 1980 as a broker-dealer firm and became registered as an investment adviser in 1989. The principal owner is Lesko Financial Services, Inc. Charles Lesko, Jr. is the majority owner of Lesko Financial Services, Inc.

B. Types of Advisory Services

Portfolio Management Services

LSI offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. LSI creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels). Portfolio management services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

LSI evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

LSI seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of LSI's economic, investment or other financial interests. To meet its fiduciary obligations, LSI attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, LSI's policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is LSI's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent among its clients on a fair and equitable basis over time.

Financial Planning

Financial plans and financial planning may include but are not limited to: investment planning; life insurance; tax concerns; retirement planning; college planning; and debt/credit planning.

Services Limited to Specific Types of Investments

LSI generally limits its investment advice to mutual funds, fixed income securities, equities, ETFs (including ETFs in the gold and precious metal sectors), treasury inflation protected/inflation linked bonds and non-U.S. securities. LSI may use other securities as well to help diversify a portfolio when applicable.

C. Client Tailored Services and Client Imposed Restrictions

LSI offers the same suite of services to all of its clients. However, specific client investment strategies and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels). Clients may not impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs.

D. Wrap Fee Programs

LSI participates in wrap fee programs, which are investment programs where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees. LSI manages the investments in the wrap fee program. Fees paid under the wrap fee program will be given to LSI as a management fee.

E. Assets Under Management

LSI has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$0	\$254,034,630	December 31, 2020

Item 5: Fees and Compensation

A. Fee Schedule

Portfolio Management Fees

Total Assets Under Management	Annual Fees
\$0 - \$249,999	1.00%
\$250,000 - \$499,999	0.90%
\$500,000 - \$999,999	0.75%
\$1,000,000 - \$10,000,000	0.60%

The advisory fee is calculated utilizing the method of taking the end of period balance plus weighted cash flows. This method will account for the balance at the end of the period plus any cash flows to and from the account during the billing period.

These fees are generally negotiable, and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Clients may terminate the agreement without penalty for a full refund of LSI's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract generally with 15 days' written notice.

Financial Planning Fees

Hourly Fees

The negotiated hourly fee for these services is between \$120 and \$400.

Clients may terminate the agreement without penalty, for full refund of LSI's fees, within five business days of signing the Financial Planning Agreement. Thereafter, clients may terminate the Financial Planning Agreement generally upon written notice.

B. Payment of Fees

Payment of Portfolio Management Fees

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis. Fees are paid in advance.

Payment of Financial Planning Fees

Financial planning fees are paid via check.

Hourly financial planning fees are paid in arrears upon completion.

C. Client Responsibility For Third Party Fees

Clients are responsible for the payment of all third-party fees such as custodian fees, brokerage fees, mutual fund fees, and transactions fees. Those fees are separate from the fees and expenses charged by LSI. Please see Item 12 for information about the custodian/broker-dealer.

D. Prepayment of Fees

LSI collects fees in advance. Refunds for fees paid in advance will be returned within thirty days to the client via check or return deposit back into the client's account.

For all asset-based fees paid in advance, the fee refunded will be equal to the balance of the fees collected in advance minus the daily rate* times the number of days elapsed in the billing period up to and including the day of termination. (*The daily rate is calculated by dividing the annual asset-based fee rate by 365.)

E. Outside Compensation For the Sale of Securities to Clients

Supervised persons of LSI are also registered broker-dealer representatives of LSI. In addition, supervised persons of LSI are licensed insurance agents. In these roles, they accept compensation for the sale of investment products to LSI clients.

This is a Conflict of Interest

Supervised persons may accept compensation for the sale of investment products, including asset-based sales charges or service fees from the sale of mutual funds to LSI's clients. This presents a conflict of interest and gives the supervised person an incentive to recommend products based on the compensation received rather than on the client's needs. When recommending the sale of investment products for which the supervised persons receives compensation, LSI will document the conflict of interest in the client file and inform the client of the conflict of interest.

Clients Have the Option to Purchase Recommended Products from Other Brokers

Clients always have the option to purchase LSI recommended products through other brokers or agents that are not affiliated with LSI.

Commissions are not LSI's primary source of compensation for advisory services

Commissions are not LSI's primary source of compensation for advisory services.

Advisory Fees in Addition to Commissions or Markups

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

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

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

Item 7: Types of Clients

LSI generally provides advisory services to the following types of clients:

- ❖ Individuals and High-Net-Worth Individuals
- ❖ Trusts
- ❖ Estates
- ❖ Charities
- ❖ Pension and Profit-Sharing Plans
- ❖ Corporations and Businesses

LSI requires a minimum account size of \$25,000 which the firm may waive at its discretion.

Item 8: Methods of Analysis, Investment Strategies, & Risk of Loss

A. Methods of Analysis and Investment Strategies

Methods of Analysis

LSI's methods of analysis include Charting analysis, Cyclical analysis, Fundamental analysis, Modern portfolio theory, Quantitative analysis and Technical analysis.

Charting analysis involves the use of patterns in performance charts. LSI uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.

Cyclical analysis involves the analysis of business cycles to find favorable conditions for buying and/or selling a security.

Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

Modern portfolio theory is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset.

Quantitative analysis deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.

Technical analysis involves the analysis of past market data; primarily price and volume.

Investment Strategies

LSI uses long term trading and short term trading.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

B. Material Risks Involved

Methods of Analysis

Charting analysis strategy involves using and comparing various charts to predict long and short term performance or market trends. The risk involved in using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.

Cyclical analysis assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns; and 2) if too many investors begin to implement this strategy, then it changes the very cycles these investors are trying to exploit.

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Modern portfolio theory assumes that investors are risk averse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

Quantitative analysis Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

Technical analysis attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new

patterns that emerge over time.

Investment Strategies

Long term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

Short term trading risks include liquidity, economic stability, and inflation, in addition to the long term trading risks listed above. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

C. Risks of Specific Securities Utilized

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

Mutual Funds: Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond “fixed income” nature (lower risk) or stock “equity” nature.

Equity investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

Fixed income investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential

risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

Exchange Traded Funds (ETFs): An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

Non-U.S. securities present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Item 9: Disciplinary Information

A. Criminal or Civil Actions

There are no criminal or civil actions to report.

B. Administrative Proceedings

There are no administrative proceedings to report.

C. Self-regulatory Organization (SRO) Proceedings

There are no self-regulatory organization proceedings to report.

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

LSI is currently registered as a broker-dealer and management persons of LSI are registered broker-dealer representatives of LSI.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither LSI nor its management persons are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

Supervised persons of LSI are also registered broker-dealer representatives of LSI and, from time to time, will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. LSI always acts in the best interest of the client, including with respect to the sale of commissionable products to advisory clients. Clients are in no way required to implement the recommendations through any representative of LSI in such individual's capacity as a registered representative.

The owner of LSI, Lesko Financial Services, Inc., is an insurance agency and supervised persons of LSI are licensed insurance agents with Lesko Financial Services, Inc. From time to time, they will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. LSI always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to utilize the services of any representative of LSI in connection with such individual's activities outside of LSI.

D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections

LSI does not utilize nor select third-party investment advisers. All assets are managed by LSI.

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

A. Code of Ethics

LSI has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. LSI's Code of Ethics is available free upon request to any client or prospective client.

B. Recommendations Involving Material Financial Interests

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

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of LSI may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of LSI to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. LSI will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

D. Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of LSI may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of LSI to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, LSI will never engage in trading that operates to the client's disadvantage if representatives of LSI buy or sell securities at or around the same time as clients.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

Custodians/broker-dealers will be recommended based on LSI's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and LSI may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in LSI's research efforts. LSI will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

LSI will recommend clients use TD Ameritrade Institutional, a division of TD Ameritrade, Inc. Member FINRA/SIPC.

Research and Other Soft-Dollar Benefits

While LSI has no formal soft dollars program in which soft dollars are used to pay for third party services, LSI may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). LSI may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and LSI does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. LSI benefits by not having to produce or pay for the research, products or services, and LSI will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that LSI's acceptance of soft dollar benefits may result in higher commissions charged to the client.

Brokerage for Client Referrals

LSI receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

Clients Directing Which Broker/Dealer/Custodian to Use

We do not recommend, request, require, or permit our clients to direct us to execute transactions through a specific broker-dealer.

B. Aggregating (Block) Trading for Multiple Client Accounts

LSI does not aggregate or bunch the securities to be purchased or sold for multiple clients. This may result in less favorable prices, particularly for illiquid securities or during volatile market conditions.

Item 13: Review of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

All client accounts for LSI's advisory services provided on an ongoing basis are reviewed at least annually by the investment advisor representative assigned to the client with regard to clients' respective investment policies and risk tolerance levels. All accounts at LSI are assigned to this reviewer.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Gregory Lesko, CCO. Financial planning clients are provided a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

With respect to financial plans, LSI's services will generally conclude upon delivery of the financial plan.

C. Content and Frequency of Regular Reports Provided to Clients

Each client of LSI's advisory services provided on an ongoing basis will receive a quarterly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian.

Each financial planning client will receive the financial plan upon completion.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

LSI participates in the institutional advisor program (the "Program") offered by TD Ameritrade. TD Ameritrade offers to independent investment advisor services which include custody of securities, trade execution, clearance and settlement of transactions. LSI receives some benefits from TD Ameritrade through its participation in the Program.

As disclosed above, LSI participates in TD Ameritrade's institutional advisor program and LSI may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between LSI's participation in the Program and the investment advice it gives to its clients, although LSI receives economic benefits through its participation in the Program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving LSI participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have LSI's fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to LSI by third party vendors. TD Ameritrade may also pay for business consulting and professional services received by LSI's related persons. Some of the products and services made available by TD Ameritrade through the Program may benefit LSI but may not benefit its client accounts. These products or services may assist LSI in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help LSI manage and further develop its business enterprise. The benefits received by LSI or its personnel through participation in the Program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, LSI endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by LSI or its related persons in and of itself creates a conflict of interest and may indirectly influence the LSI's choice of TD Ameritrade for custody and brokerage services.

B. Compensation to Non – Advisory Personnel for Client Referrals

LSI does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

Item 15: Custody

When advisory fees are deducted directly from client accounts at client's custodian, LSI will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

Item 16: Investment Discretion

LSI does not have discretion over client accounts at any time.

Item 17: Voting Client Securities (Proxy Voting)

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

Item 18: Financial Information

A. Balance Sheet

LSI neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither LSI nor its management has any financial condition that is likely to reasonably impair LSI's ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

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