

# Eliot Finkel Investment Counsel, LLC

## Form ADV Brochure

March 24, 2021

This brochure provides information about the qualifications and business practices of Eliot Finkel Investment Counsel, LLC as required by the United States Securities and Exchange Commission (SEC). The information in this brochure has not been approved by the SEC or by any state securities authorities. If you have any questions about the contents of this brochure, please contact us at:

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Eliot Finkel Investment Counsel, LLC is a Registered Investment Adviser. Note that registration does not imply any level of skill or training. Additional information about us is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2. Material Changes**

This brochure, dated March 24, 2021, has been prepared by Eliot Finkel Investment Counsel, LLC to meet SEC requirements. This section of the brochure will address only those “material changes” that have been incorporated since our last annual posting of this document on the public disclosure website (IAPD) [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

It has changed materially since our last annual offering in the following ways:

- Form ADV Part 2A, Item 4: The amount of assets under management has been updated.
- The investment advisor representatives listed on Form ADV Part 2B have been changed.

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**Item 4. Advisory Business**

Eliot Finkel Investment Counsel, LLC (EF Invest) was founded in 1974. Eliot Finkel is the principal owner. We manage portfolios of stocks and bonds for our clients. We design our portfolios to provide value, safety and income. We use broad economic analysis and fundamental company research to guide our decisions. Our investment strategy is value- oriented and focused on the long term.

As an independent, fee-only Registered Investment Adviser (RIA) our clients' interests come first as required by our fiduciary duty under the Investment Advisers Act of 1940.

Client accounts are separately managed through one or more brokerage firms. EF Invest has no affiliation with any brokerage firm. All of our investments are made directly in securities such as stocks and bonds. As of December 31, 2019 we managed \$166,434,959 in discretionary reportable Assets under Management.

**Item 5. Fees and Compensation**

EF Invest's fee structure is:

<b>Portfolio Value</b>	<b>Annual Rate</b>
For assets less than \$500,000	1.25%
Plus for assets between \$500,000 and \$1,000,000	1.00%
Plus for assets between \$1,000,000 and \$3,000,000	0.75%
Plus for assets over \$3,000,000	0.50%

Fees are negotiable. Invoices are included with each quarterly report, based on assets under management at the beginning of the quarter and billed in advance. Clients may choose whether fees are paid directly or by the custodian.

Clients may incur brokerage commissions, custodial fees and other fees or expenses. We do not receive any portion of these commissions, fees and expenses. A client may terminate our services at any time, in which case a refund will be made prorated by time of service.

**Item 6. Performance-Based Fees and Side-by-Side Management**

EF Invest does not charge any performance-based fees; nor does EF Invest have any side-by-side management agreements.

**Item 7. Types of Clients**

EF Invest manages investments on behalf of individuals, high net worth individuals, pension and profit sharing plans, trusts and charitable organizations. Our minimum account is \$500,000 which may be waived for clients with substantial future earning capacity.

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

EF Invest selects stocks and bonds guided by an investment philosophy incorporating three core principals: value, income and safety.

*Value.* We buy the securities of well-managed, profitable companies that are undervalued relative to their business fundamentals. These value-oriented securities have historically outperformed growth-oriented securities.

*Income.* We specialize in securities that pay substantial, sustainable dividends and interest. Historically, income is responsible for the majority of investment returns.

*Safety.* We do not allow any single position to dominate a portfolio and we avoid investments that we cannot easily sell.

Investing in securities involves a risk of loss, due to economic downturns, interest rate fluctuations and other unforeseen events, which our clients should be prepared to bear.

**Item 9. Disciplinary Information**

EF Invest does not have any legal or disciplinary events to disclose.

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

EF Invest is not affiliated with any other financial industry firm.

**Item 11. Code of Ethics, Participation or Interest in Client Transaction and Personal Trading**

The Chartered Financial Analyst (CFA)® Institute's Code of Ethics and Standards of Professional Conduct has been acknowledged by all members of EF Invest. The highlights of this code are: act with integrity, competence, diligence, respect and in an ethical manner with the public, clients, prospective clients, related parties and other investment professionals; and, use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations and taking investment actions.

Members of EF Invest often take positions in securities held by clients. Our members will not "front run" clients by purchasing or selling a position just prior to doing so for clients. Members will not take opposing positions to clients, that is sell when buying for clients or buy when selling for clients.

On rare occasions, a client may need to sell a bond position. If a large bid/ask spread is quoted, another client may buy the bond position at the mid-point between the bid and ask price. These swaps will only be initiated when they are advantageous to both the buying and selling client.

**Item 12. Brokerage Practices**

EF Invest monitors the client's broker for service, executions and fees. We receive no financial or other compensation from any broker. Should the client choose, or be recommended by a broker, we will not negotiate commissions unless requested to do so by the client. These clients could potentially pay higher commissions than other clients. We do not receive any third party research or other products or services (soft dollar benefits) from any broker-dealer.

We aggregate purchases and sales whenever possible for speed and better execution.

**Item 13. Review of Accounts**

EF Invest members monitor client accounts daily, review them weekly and reconcile them in detail to the monthly brokerage statements. Clients receive account summaries, including performance history at the end of each quarter. The performance history section includes earnings, deposits, withdrawals and the return since inception. We contact our clients regularly, subject to the client's preferences, to stay current with any changes in their circumstances that may require a change in investment strategy.

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

EF Invest does not provide compensation directly or indirectly to any solicitor for client referrals.

**Item 15. Custody**

EF Invest does not have custody of any client assets. However, with the client's permission, the custodian may pay advisory fees from the client's account(s). Clients receive trade confirmations and monthly statements from their custodian and are encouraged to carefully review and compare them with our statements to verify that transactions and fees are proper.

**Item 16. Investment Discretion**

EF Invest's Investment Advisory Agreement gives firm members the authority to initiate buy and sell orders for stocks, bonds and other securities. Clients may place additional limitations on our authority. We review our Agreement and any brokerage/custodian agreements with clients before commencing our service. Clients may terminate this agreement, in writing, at any time.

**Item 17. Voting Client Securities**

EF Invest does not vote proxies on behalf of clients. Clients will receive their proxies or other solicitations directly from their custodian and can contact us with questions about a particular solicitation.

**Item 18. Financial Information**

EF Invest solicits but does not require prepayment of fees. There are no financial conditions that are likely to impair our ability to meet contractual commitments to clients.

**COVER PAGE ADV PART 2 B BROCHURE**

**Peter H. Finkel, CFA**

Date of birth: 1974

*Credentials*

Chartered Financial Analyst Charterholder

Minimum requirements:

- Four years of qualified investment work experience
- Membership of the CFA Institute
- Annual pledge to adhere to the CFA Institute Code of Ethics and Standards of Professional Conduct
- Completion of the CFA Program which consists of three six-hour exams and requires 300 hours of self-study

*Education*

M.B.A., University of California, Los Angeles, 2006

B.S. in Management Science (Economics), University of California, San Diego, 1996

B.A. in Philosophy, University of California, San Diego, 1996

*Business Background*

Eliot Finkel Investment Counsel, LLC: Investment Adviser and Chief Compliance Officer,  
2003 to Present

*Disciplinary Action*

None