

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

**HARBOR ADVISORY CORPORATION**

500 Market Street - Suite 11  
Portsmouth, NH 03801

(603) 431-5740

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

March 31, 2021

This brochure provides information about the qualifications and business practices of Harbor Advisory Corporation. If you have any questions about the contents of this brochure, please contact us at (603) 431-5740 or at [info@harboradvisory.com](mailto:info@harboradvisory.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 Harbor Advisory Corporation is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) and at [www.harboradvisory.com](http://www.harboradvisory.com).

Harbor Advisory Corporation is registered as an investment adviser with the SEC. This registration does not imply a certain level of skill or training.

## **Item 2: Material Changes**

Daniel R. Zibinskas became a 10% shareholder in Harbor Advisory Corporation in November of 2020.

Harbor Advisory Corporation has updated the fee schedule to the one listed below:

1.1% of first \$1,000,000, plus .7% of assets between \$1,000,000 - \$5,000,000, plus .6% of assets between \$5,000,000 - \$10,000,000, plus .5% of assets between \$10,000,000 - \$20,000,000 plus negotiated fees over \$20,000,000.

Harbor Advisory Corporation did not apply for a PPP Loan or any other type of government assistance in 2020.

### Item 3: Table of Contents

Item #	Item	Page
1	Cover Page .....	1
2	Material Changes .....	2
3	Table of Contents .....	3
4	Advisory Business .....	4
	A) History and Ownership	
	B) Advisory Service Offered	
	C) Individualized Investment	
	D) Wrap Fee Programs	
	E) Discretionary Investment Management	
5	Fees and Compensation .....	5
	A) Investment Management Fee Schedule	
	B) How Fees are Paid	
	C) Other Fees (Custody, etc.)	
	D) Advance Fee Refund Policy	
	E) Harbor Receives no Compensation for Sale of Securities or Products	
6	Performance-Based Fees and Side-By-Side Management .....	6
7	Types of Clients Served by Harbor Advisory Corporation .....	6
8	Methods of Analysis, Investment Strategies and Risk of Loss .....	6
	A) Methods of Analysis and Strategies	
	B) Material Risks Involved	
9	Disciplinary Information .....	9
10	Other Financial Industry Activities and Affiliations .....	9
11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	10
	A) Code of Ethics	
	B) Related Person Material Financial Interests	
	C) Related Person Investment in Same Securities	
	D) Related Person Transactions in Same Securities	
12	Brokerage Practices .....	10
	A) Factors in Selecting Broker-Dealers for Client Transactions	
13	Review of Accounts .....	12
	A) Frequency of Review of Accounts and Reports of Accounts	
14	Client Referrals and Compensation .....	12
15	Custody.....	12
16	Investment Discretion .....	13
17	Voting Client Securities .....	13
18	Financial Information About Harbor Advisory Corporation .....	13

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

##### **A) History and Ownership**

Harbor Advisory Corporation (“Harbor”), an SEC registered investment adviser located in Portsmouth, New Hampshire, has been providing personalized investment management services to individuals, families, foundations, trusts, estates, charitable organizations, pensions and profit-sharing plans and corporations since 1972.

Harbor is completely employee owned. Its owners are Weld R. Butler, John J. DeGan and Daniel R. Zibinskas.

##### **B) Advisory Services Offered**

Harbor offers discretionary investment management of equity, balanced, and fixed income portfolios. Investment management clients can expect Harbor to offer advice on retirement planning, estate planning, educational funding, insurance issues, debt management and tax planning as they relate to portfolios. Harbor does not practice law nor do we prepare tax returns. Harbor actively coordinates with tax, legal and other professional advisors on behalf of its clients.

##### **C) Individualized Investment Management**

Harbor renders portfolio management services by working with each client to develop an individualized asset allocation plan based on each client’s risk profile and individual needs, including the extent and nature of the client’s assets, tax and estate needs, and other considerations. Portfolios are designed to fulfill specific objectives of individual clients and may or may not resemble portfolios of other clients depending on each client’s risk profile, tax profile or other individual requirements. Clients who wish to impose restrictions on investing in certain securities or types of securities (due to specific philosophical or ideological objections to certain companies or industries or otherwise) can instruct their portfolio manager to avoid or eliminate these investments from their portfolio.

##### **D) Wrap Fee Programs**

Harbor **DOES NOT** participate in *wrap fee programs*.

##### **E) Discretionary Investment Management**

As of December 31, 2020, Harbor managed \$ 262,547,251 of client assets on a discretionary basis. As of the same date, Harbor managed \$ 1,229,752 of client assets on a non-discretionary basis.

## Item 5: Fees and Compensation

### A) Investment Management Fee Schedule

Investment management fees are based on a percentage of assets under management, which are determined using the market value of accounts, including cash or by adding margin balance, if any, shown in the initial and quarterly appraisals. Investment management fees are calculated according to the following Fee Schedule:

#### **ANNUAL FEE SCHEDULE BASED ON ASSETS UNDER MANAGEMENT:**

##### **Annual Fee Schedule Based on Assets Under Management:**

<u>Asset Value</u>	<u>Annual Fee</u>
First \$1,000,000	1.10%
Plus \$1,000,000 to \$5,000,000	0.70%
Plus \$5,000,000 to \$10,000,000	0.60%
Plus \$10,000,000 to \$20,000,000	0.50%
Plus \$20,000,000 or more	Negotiated

Harbor charges a minimum annual fee of \$20,000. However, this minimum annual investment management fee may be waived at Harbor's discretion in certain circumstances.

### B) How Fees are Paid

Fees may be subject to proration if there are multiple accounts. Fees are paid quarterly in advance. Some clients have a fixed fee as a percentage of all assets expressed in basis points charged. Typically, the quarterly advisory fee is deducted automatically from each client's account held at a designated custodian pursuant to standing instructions provided to the custodian from the client.

### C) Other Fees (Custody, etc.)

In addition to the investment management fee assessed by Harbor, each client is responsible for any and all custodial fees as well as brokerage and other transaction costs incurred in connection with Harbor's investment management services. To the extent that a client invests in a pooled investment vehicle such as a mutual fund, an exchange-traded fund or direct investments, the client will indirectly bear fees and expenses charged by the underlying pooled investment.

In addition, in instances where clients request Harbor or its related persons to provide services other than investment management services, Harbor may charge additional fees. For example, Harbor may charge additional fees on an hourly basis or a fixed fee basis in instances where it provides consulting services, trustee services, or trust administration services for its clients. Harbor's employees occasionally provide trustee services for beneficiaries and Harbor occasionally provides trust administration services relating to distribution, valuation for estate purposes, and other activities.

#### D) Advance Fee Refund Policy

Harbor's clients are required to pay investment management fees quarterly in advance. If the advisory agreement between Harbor and any client is terminated prior to the end of the billing period, any unearned fee shall be refunded pro-rata based on the day of receipt of the written termination notice.

#### E) Harbor Receives No Compensation for the Sale of Securities or Other Products

Neither Harbor nor any of its supervised persons, accepts compensation for the sale of securities or other investment products either from sales charges or service fees.

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

Neither Harbor nor any of its supervised persons accepts performance-based fees. Since all accounts managed by Harbor are charged an asset-based fee, Harbor is not in a position to favor performance-based fee accounts over other accounts.

### **Item 7: Types of Clients**

Harbor serves as an investment advisor to families, individuals, pensions and profit sharing plans, trusts, estates, foundations, charitable organizations and corporations. The great majority of Harbor's client base consists of families and related accounts.

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

#### A) Method of Analysis and Investment Strategy

Harbor employs a combination of economic and fundamental analysis to determine asset allocation and security selection.

#### B) Material Risks Involved

Economic analysis involves researching conditions in world economies and financial markets to determine the risk/reward characteristics of various asset classes such as stocks and bonds.

Fundamental security analysis involves researching individual companies and their securities to assess the risk/reward characteristics of those companies. Securities viewed as undervalued relative to their intrinsic value in the opinion of the analyst are considered for purchase. Financial statement analysis, strategy assessment and management capability are components of fundamental analysis.

Technical analysis involves studying historical price trends for individual securities to help determine the appropriate prices at which to buy and sell the security.

### C) Types of Securities Recommended and their Risks

Harbor invests primarily in equity securities (common and preferred), fixed income securities (such as corporate, government and municipal bonds), exchange traded funds and mutual funds or sub-advised accounts based on stocks and bonds inside and outside of the United States. Harbor may invest in select alternatives and/or direct investments. All of the securities Harbor buys for clients are subject to risk of loss that clients should be prepared to bear. A client's investment portfolio will fluctuate in value as market conditions change and the client could lose all or a portion of the value of the investment portfolio over short or even long periods of time. The principal risks of investing in equity securities, fixed income securities and exchange traded funds are:

*Equity Securities Risk.* Investments in equity securities are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. These investor perceptions are based on various and unpredictable factors including: expectations regarding government, economic, monetary and fiscal policies; inflation and interest rates; economic expansion or contraction; global or regional political, economic and banking crises; and factors affecting specific industries, sectors or companies in which Harbor invests on behalf of clients. The value of a client's investment portfolio and the corresponding investment return will fluctuate based upon changes in the value of its portfolio securities.

*Large-Cap Company Risk.* Investments in larger, more established companies are subject to the risk that larger companies are sometimes unable to attain the high growth rates of successful, smaller companies, especially during extended periods of economic expansion. Larger, more established companies may be unable to respond quickly to new competitive challenges such as changes in consumer tastes or innovative smaller competitors potentially resulting in lower markets for their common stock.

*Mid-Cap and Small-Cap Companies Risk.* Investments in mid-cap and small-cap companies may not have the management experience, financial resources, product diversification and competitive strengths of large-cap companies. Therefore, their securities may be more volatile and less liquid than the securities of larger, more established companies. Mid-cap and small-cap company stocks may also be bought and sold less often and in smaller amounts than larger company stocks. Because of this, if Harbor wants to sell a large quantity of a mid-cap or small-cap company stock, it may have to sell at a lower price than it might prefer, or it may have to sell smaller than desired quantities over a period of time. Analysts and other investors may follow these companies less actively and therefore information about these companies may not be as readily available as that for large-cap companies.

*Fixed Income Securities Risks.* Debt securities are subject to the following risks:

- *Credit Risk.* Issuers of fixed income securities may be unable to make principal and interest payments when they are due. There is also the risk that the securities could lose value because of a loss of confidence in the ability of the issuer to pay back debt. The degree of credit risk for a particular security may be reflected in its credit rating. Lower rated fixed income securities involve greater credit risk, including the possibility of default or bankruptcy.
- *Interest Rate Risk.* Fixed income securities could lose value because of interest rate changes. For example, bonds tend to decrease in value if interest rates rise. Fixed income securities with longer maturities sometimes offer higher yields, but are subject to greater price shifts as a result of interest rate changes than debt securities with shorter maturities.
- *Prepayment Risk.* Prepayment occurs when the issuer of a debt security repays principal prior to the security's maturity. During periods of declining interest rates, issuers may increase pre-payments of principal causing Harbor to invest in fixed income securities with lower yields thus reducing income generation. Similarly, during periods of increasing interest rates, issuers may decrease pre-payments of principal extending the duration of debt securities potentially to maturity. Fixed income securities with longer maturities are subject to greater price shifts as a result of interest rate changes. Also, if Harbor is unable to liquidate lower yielding securities to take advantage of a higher interest rate environment, its ability to generate income on behalf of clients may be adversely affected. The potential impact of prepayment features on the price of a debt security can be difficult to predict and result in greater volatility.

*Government-Sponsored Entities Risk.* Investments in U.S. government obligations include securities issued or guaranteed as to principal and interest by the U.S. government, its agencies or instrumentalities, such as the U.S. Treasury. Payment of principal and interest on U.S. government obligations may be backed by the full faith and credit of the United States or may be backed solely by the issuing or guaranteeing agency or instrumentality itself. There can be no assurance that the U.S. government will provide financial support to its agencies or instrumentalities (including government-sponsored enterprises) where it is not obligated to do so.

*Junk Bonds Risk.* Investments in bonds that are rated below investment grade, commonly known as "junk bonds" generally provide high income in an effort to compensate investors for their higher risk of default, which is the failure to make required interest or principal payments. Investments in junk bonds have speculative or predominately speculative characteristics. Junk bonds are not investment grade securities and involve greater risk of default or price changes due to changes in the issuers' creditworthiness than do higher quality securities. In addition, the market prices of lower rated securities may decline significantly in periods of general economic difficulty or rising interest rates. As a result, junk bonds present a significant risk for loss of principal and interest. The market for these securities may also be thinner and less active than

that for higher quality securities, which may adversely affect the ability to sell the bonds as well as the price at which they can be sold. Due to the potential for limited liquidity, the prices for junk bonds may also not be readily available.



*Foreign securities Risk.* Harbor may also invest client assets in foreign securities which are subject to special risks. Foreign securities can be more volatile than domestic (U.S.) securities. Securities markets of other countries are generally smaller than U.S. securities markets. Many foreign securities may be less liquid and more volatile than U.S. securities, which could affect client investments.

Foreign securities are denominated in non-U.S. dollar currencies and U.S. investors are subject to fluctuations in the value of their investments based upon the changes in currency values.

*ETF and Mutual Fund Risk.* Exchange traded funds (“ETFs”) are typically open-end investment companies that are bought and sold on a national securities exchange. When Harbor invests a client’s assets in an ETF, the client will bear additional expenses based on its pro rata share of the ETF’s operating expenses, including the potential duplication of management fees. The risk of owning an ETF generally reflects the risks of owning the underlying securities it holds. Many ETFs seek to replicate a specific benchmark index. However, an ETF may not fully replicate the performance of its benchmark index for many reasons, including because of the temporary unavailability of certain index securities in the secondary market or discrepancies between the ETF and the index with respect to the weighting of securities or the number of stocks held. Lack of liquidity in an ETF could result in an ETF being more volatile than the underlying portfolio of securities it holds. In addition, because of ETF expenses, compared to owning the underlying securities directly, it may be more costly to own an ETF.

*Alternative and Direct Investments* are subject to the risk of loss based on the underlying asset types and concentration risk. Investors in alternative investments should also understand there are risks due to limited liquidity, varying fee structures, tax complexity and the use of leverage.

Investing in securities involves risk of loss which clients should be prepared to bear.

### **Item 9: Disciplinary Information**

There are no legal or disciplinary events involving Harbor or its officers and employees that are material to a client or a prospective client’s evaluation of Harbor’s advisory business or the integrity of Harbor’s management.

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

A) Neither Harbor nor any of its management persons are registered as or have a pending application to register as a broker-dealer or registered representative of a broker-dealer.

B) Neither Harbor nor any of its management persons are registered as or have a pending application to register as a futures commission merchant, commodity pool operator, commodity trading advisor or associated person of the foregoing entities.

C) Neither Harbor nor any of its management persons have any relationship or arrangement with any related person that is material to its advisory business or to its clients.

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

A) Harbor has adopted a Code of Ethics (“Code”) that cultivates a culture of ethical behavior and requires all employees to conduct themselves in the most ethical manner possible. The Code requires that all employees consider the best interests of Harbor’s clients at all times and further requires that employees place the interests of Harbor’s clients ahead of the interests of employees and the firm. Harbor believes that the best first line of defense against unethical behavior lies in the selection of a business model and in hiring practices. Harbor sells no products, has no investments in or alliances with other organizations, charges no incentive fees, and does not provide custody services (although it may be deemed to have custody of client assets in certain situations). In addition, Harbor’s employees are required to attend annual compliance meetings and must read and initial Harbor’s Compliance Manual, which incorporates the Code.

Harbor will supply a copy of its Code of Ethics to any client or prospective client upon request.

B) Harbor and its related persons do not recommend to clients, or buy or sell for client accounts, securities in which Harbor or its related person has a material financial interest. Harbor does not, as a principal, buy securities from or sell securities to its clients.

C) Harbor and its employees and immediate family members, spouse and minor children, may buy or sell securities that Harbor also recommends to clients for investment. It is a conflict of interest to recommend any security to a client, or to direct any transaction for a client in a security, if Harbor or its employees and immediate family members has a material interest in that security. In order to address this conflict of interest, Harbor maintains an employee trading policy to protect clients from potential negative effects of employee trading. This trading policy prohibits Harbor’s employees and immediate family members (spouse and minor children) from trading on the same side of the market in securities listed on the Harbor common stock review list on the same day as Harbor employees purchase that security for Harbor clients. Before entering personal security orders, all of Harbor’s employees are required to check with the President or CCO in order to avoid a transaction that will violate this rule. Any employee transaction that violates this policy must be immediately reversed. Compliance with this policy is enforced by monthly monitoring of employee trades, by the President, CCO or controller, and the review of reports of employee trades. In addition, any purchase or sale of securities on Harbor’s Common Stock Review must be promptly reported to the CCO or President.

Harbor also maintains a policy prohibiting employees from trading based on material non-public information (more commonly known as “insider trading”).

**Item 12: Brokerage Practices**

A) As an investment advisor, Harbor has a fiduciary obligation to obtain the most favorable execution available for client transactions. In selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation, Harbor considers factors such as financial stability, quality of execution, strength of bookkeeping, and quality of reporting and custodial services. Trading costs are a primary consideration in selecting

brokerage services. Additionally, Harbor requires broker-dealers to comply with all regulations relating to Anti-Money Laundering laws, The Patriot Act, and Customer Identification Programs.

1) Research and other Soft Dollar Benefits - Harbor does not enter into any formal agreements with broker-dealers whereby it receives research, products or services other than execution from a broker-dealer or third party in connection with directing client securities transactions to that broker-dealer (“soft dollar benefits”). Although Harbor does not have a formal soft dollar agreement with any broker-dealer, in certain instances Harbor may select broker-dealers that provide services to Harbor in addition to brokerage services provided that those additional services fall within the Section 28(e) Safe Harbor under the Securities Exchange Act of 1934. For example, Harbor may receive proprietary research or software from broker-dealers that Harbor uses to execute transactions in client accounts. The proprietary research received from broker-dealers is subsidized by the commissions generated from client transactions executed through those financial institutions. Specifically, the commission rates of these broker-dealers are typically higher than the commission rates of brokers that do not provide such research. The use of client brokerage commissions to obtain proprietary research benefits Harbor in that the firm does not have to produce the research itself or pay for the research. While proprietary research received is used to service all client accounts, the receipt of proprietary research may provide an incentive for Harbor to recommend such brokers to clients instead of those who do not render such research. As an investment advisor, Harbor has a fiduciary obligation to obtain the most favorable price and execution available for client transactions. Applicable law, however, permits Harbor to pay a higher commission rate or spread to a broker-dealer that provides research services if Harbor has determined in good faith that the commission rate or spread is reasonable in relation to the brokerage and/or research services provided by that broker-dealer.

2) Harbor does not consider, in selecting or recommending broker-dealers, whether Harbor or its related persons receive client referrals from a broker-dealer or third party.

### 3) Directed Brokerage

a) Harbor generally requires that clients direct Harbor to execute transactions through a certain broker-dealer (the “Designated Broker-Dealer”). While directing brokerage may prevent Harbor from obtaining the most favorable execution in certain transactions, Harbor requests that clients utilize the Designated Broker-Dealer because Harbor believes that it is able to obtain overall best execution with the Designated Broker-Dealer. Although this is Harbor’s practice, not all advisors require their clients to execute transactions through a specific broker-dealer.

b) In some instances clients designate a broker-dealer of their choosing. In these instances Harbor may be unable to achieve the most favorable execution for the client as certain brokers may charge higher commissions than other brokers. Thus, directing brokerage may cost clients more money. Clients should be aware that selecting one’s own broker-dealer may affect Harbor’s ability to obtain best execution or price for such clients. In addition, directing brokerage may cost clients money because Harbor may not be able to aggregate orders to achieve most favorable execution of client transactions.

B) Harbor may aggregate purchases or sales of securities for various client accounts. Typically this method is used when Harbor perceives timeliness of the transaction is an overriding

consideration, and that tax implications, substitution selection and appropriate levels of security type or sector asset allocation are less important on an individual portfolio by portfolio basis. Harbor may elect not to aggregate purchases or sales of securities for various client accounts when Harbor perceives consideration of a transaction's tax implications, substitution selection and appropriate levels of security type or sector asset allocations on an individual portfolio by portfolio basis, override timing considerations. Aggregation, or lack thereof, does not affect transaction fee levels.

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

A) Harbor's portfolio managers review client portfolios on a regular and frequent basis. Accounts are reviewed for conformity with client investment objectives.

B) New developments or addition or removal of a security from the Common Stock Review (list of equity securities approved for client purchases by Harbor's Investment Committee) will trigger a review, as will the input of new information from the client. The Common Stock Review and other relevant issues are explored and discussed monthly or more often by Harbor's Investment Committee.

C) Harbor provides clients with a valuation document covering their managed accounts on a quarterly basis and provides detailed valuation and year-to-year comparisons annually (or more frequently upon client request). Additionally, clients receive printed or web access to monthly asset holding valuation and transaction reports directly from their custodian.

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

A) Harbor does not receive any economic benefit from anyone who is not a client for providing investment advice or other advisory services to clients.

B) Neither Harbor nor any related person either directly or indirectly compensates any person who is not a supervised person of Harbor for client referrals.

### **Item 15: Custody**

Harbor is deemed to have "custody" of client assets in certain situations where related persons of Harbor serve personally as trustee or co-trustee of client trusts. As do all of Harbor's clients, clients that utilize a Harbor employee as personal trustee receive monthly account statements directly from the qualified custodian holding the client's securities or the client has online access to accounts and statements. Clients should carefully review these statements. In addition, Harbor also provides clients with a printed valuation document covering their managed accounts on a quarterly basis and provides detailed valuation and year-to-year comparisons annually. Clients should carefully review the quarterly and annual account statements received from Harbor for consistency with monthly reports provided by the client's qualified custodian. In addition, pursuant to SEC requirements, Harbor annually engages an independent auditor to perform an audit to detect inappropriate activity in accounts over which Harbor is deemed to have "custody". However, this audit should not be considered to supplement the regular and diligent review of statements by clients.

**Item 16: Investment Discretion**

Harbor primarily manages client securities accounts on a discretionary basis. Clients execute Limited Powers of Attorney authorizing Harbor to buy, sell and trade in client accounts based on investment objectives set out by the advisory contract (Participation Agreement) between Harbor and the client. Harbor generally has discretion to determine which securities to buy and sell, the amount of securities to buy or sell, the broker-dealer to use in any transaction, and the commission rate to be paid to the broker-dealer. Clients may impose restrictions on Harbor's discretionary authority by providing written instructions to the client's portfolio manager.

**Item 17: Voting *Client* Securities**

A) Harbor accepts client delegation to vote proxies of client securities. Absent such delegation, the client shall retain all proxy voting responsibilities. In instances where the client has delegated proxy voting responsibilities to Harbor, Harbor's Chief Investment Officer ("CIO") votes securities pursuant to directives of the Proxy Voting Committee ("PVC"). The PVC is comprised of the CIO and President of Harbor. Proxies are voted in a timely manner. Consideration is given only to those factors that relate to the economic betterment of a client's investment and to an increase in shareholder value. Client proxies are all voted identically unless Harbor is specifically directed by a client to do otherwise. Should Harbor detect a conflict of interest between itself and the client, Harbor will contact the client for instruction.

A record of each proxy vote is maintained at Harbor and is available to clients upon request. Copies of Harbor's proxy voting policies and procedures are also available to clients upon request.

B) In cases where clients have not delegated the authority to vote proxies of client securities to Harbor, clients receive mailed proxies and other solicitations directly from the custodial broker-dealer. Clients are always welcome to call Harbor with questions about proxy voting in general or a proxy solicitation in particular by contacting Harbor at the contact information contained on the cover page of this brochure.

**Item 18: Financial Information**

A) Harbor does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not obligated to disclose a balance sheet for its most recently completed fiscal year.

B) Harbor is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to its clients.

C) Harbor has not been the subject of a bankruptcy petition during the past ten years.