

**Altfest Personal Wealth Management  
445 Park Avenue  
Sixth Floor  
New York, New York 10022**

**Phone: 212-406-0850  
Fax: 212-406-0867  
Web Site: [www.altfest.com](http://www.altfest.com)**

**March 31, 2021**

**FORM ADV PART 2A.  
BROCHURE**

**This brochure provides information about the qualifications and business practices of Altfest Personal Wealth Management. If you have any questions about the contents of this brochure, please contact us at 212-406-0850. 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 Altfest Personal Wealth Management is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Altfest Personal Wealth Management is 18320.**

**Altfest Personal Wealth Management 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.**

### ***Material Changes***

Since the last annual filing, dated March 24, 2020 the following material changes have occurred:

- Item 4- Added information regarding our ERISA Fiduciary Services, both 3(21) and 3(38) Plans.
- Item 5 -Added fee information for our ERISA Fiduciary Services.

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Altfest Personal Wealth Management's registration was granted by the U.S. Securities and Exchange Commission on February 2, 1983. Lewis Jay Altfest (CRD Number 4029) is beneficial majority owner of the firm. Andrew Altfest (CRD Number 6316746) is the President of the firm. The firm is not publicly owned or traded. As of December 31, 2020, the firm managed, on a discretionary basis, \$1,484,687,455 which represented 3,183 accounts and managed on a nondiscretionary basis \$15,565,887 which represented 182 accounts. Client assets are managed on an individualized basis. Clients may impose restrictions on their accounts. The firm does not sponsor any wrap programs. The firm, on an infrequent basis, effects crossed trades in bonds.

### **Types of Advisory Services**

#### ***Investment Management***

We are in the business of managing individually tailored investment portfolios. Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy or an investment plan with an asset allocation target and create and manage a portfolio based on that policy and allocation target. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. We may also review and discuss a client's prior investment history, as well as family composition and background.

#### ***Management of Pooled Investment Vehicles***

Altfest Management, LLC, an affiliate entity of Altfest, is the managing member of the Altfest Alternative Value Funds, LLC. Also an affiliate entity, ArdRE Management, LLC is the Managing Member of Arden Woods Real Estate, LLC (collectively referred to as the "Funds"). The Funds are Delaware limited liability companies organized in part to facilitate investment in private offerings. Interests in the Funds are privately offered pursuant to Regulation D under the Securities Act of 1933, as amended. The Funds currently relies on an exemption from registration under the Investment Company Act of 1940, as amended. Altfest' affiliate has discretionary authority. Altfest does charge an advisory fee to the client if they invest in the Fund.

While the Funds are generally Altfest' client, the term "client(s)" sometimes refers to the investors in the Funds. All relevant information, terms and conditions relative to the Funds, including suitability, risk factors and potential conflicts of interest, are set forth in the Confidential Private Offering Memorandum, Investor Agreement, and Subscription Agreement (together, the "Offering Documents"), which each investor is required to receive and/or execute prior to being accepted as an investor in the Funds.

Given the above discussion relative to the objectives, suitability, risk factors and qualifications for participation in the Funds, Altfest may give advice or take action with respect to the Funds that differs from that it gives for wealth management or portfolio management client accounts that are not invested in the Funds.

## ***Financial Planning***

We provide financial planning services on topics such as retirement planning, cash flow and debt management, work benefits, and estate planning.

Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. The key defining aspect of financial planning is that through the financial planning process, all questions, information and analysis will be considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service will receive a written or an electronic report, providing the client with a detailed financial plan designed to achieve his or her stated financial goals and objectives. In general, the financial plan will address any or all of the following areas of concern and will take the below approximate time to complete. A client may select only the areas they wish to cover, they do not have to choose all of the below services:

**College Savings:** Includes projecting the amount that will be needed to achieve college or other post-secondary education funding goals, along with advice on ways for you to save the desired amount. Recommendations as to savings strategies are included, and, if needed, we will review your financial picture as it relates to eligibility for financial aid or the best way to contribute to grandchildren, if appropriate.

**Cash Flow and Debt Management:** We will conduct a review of your income and expenses to determine your current surplus or deficit along with advice on prioritizing how any surplus should be used or how to reduce expenses if they exceed your income. Advice may also be provided on which debts to pay off first based on factors such as the interest rate of the debt and any income tax ramifications. We may also recommend what we believe to be an appropriate cash reserve that should be considered for emergencies and other financial goals, a review of accounts (such as money market funds) for such reserves, plus strategies to save desired amounts.

**Estate Planning:** This usually provides for ways for you to minimize or avoid future estate taxes by implementing appropriate estate planning strategies such as the use of applicable trusts. We always recommend that you consult with a qualified attorney when you initiate, update, or complete estate planning activities. We may provide you with contact information for attorneys who specialize in estate planning when you wish to hire an attorney for such purposes. From time-to-time, we will participate in meetings or phone calls between you and your attorney with your approval or request.

**Financial Goals:** Helps clients identifying their financial goals and planning on how to reach them. Identify what you plan to accomplish, what resources you will need to make it happen, how much time you will need to reach the goal, and how you budget for your goal.

**Investment Analysis:** This may involve providing information on the types of investment vehicles available, employee stock options, investment analysis and strategies, asset selection and portfolio design. The strategies and types of investments we may recommend are further discussed in Item 8 of this brochure.

## ***ERISA Fiduciary Services***

**3(21) ERISA Fiduciary Services** - (1) identifying investment objectives and restrictions; (2) allocating plan assets to various objectives; (3) selecting money managers to manage plan assets in ways designed to achieve objectives; (4) selecting mutual funds that plan participants can choose as their funding vehicles; (5) monitoring performance of money managers and mutual funds and making recommendations for changes; and (6) selecting other service providers, such as custodians, administrators and broker-dealers.

**3(38) ERISA Fiduciary Services** - Manage your plan assets with full discretionary authority, making and implementing investment decisions, all without prior consultation, subject only to such limitations as you may specify in writing.

Altfest provides pension consulting services to employee benefit plans and their fiduciaries based upon an analysis of the needs of the plan. In general, these services include an existing plan review, asset allocation advice, money management services, communication and education services where Altfest will assist the plan sponsor in providing meaningful information regarding the retirement plan to its participants, investment performance monitoring and/or ongoing consulting.

Your plan shall consist of all securities, cash and cash equivalents and other assets in your plans except those assets which, by mutual agreement, shall be specifically excluded.

Altfest does not hold or receive any of the Client's funds or securities, other than payment for Altfest's services. The Plan's assets will be held by a custodian selected by the Client, and the Client will be solely responsible for paying all of the Custodian's fees. Client understands that Adviser is not authorized to establish or maintain custodial arrangements for the Plan. All transactions will be consummated by payment to, or delivery by, Client or such other party as Client may designate in writing (the "Custodian"), of all cash and/or securities due to or from the Plan. Client shall direct the Custodian to segregate the assets of the Plan and to invest and reinvest them in accordance with the directions transmitted by Adviser. Client understands that Adviser shall not be responsible for any loss incurred by reason of any independent act or omission of the Custodian or any other party, to the extent permitted by law. The Custodian should provide statements for the Plan. Altfest encourages the Client to notify Altfest promptly if the Client does not receive statements from the custodian on at least a quarterly basis.

Altfest will hold educational seminars for the plan employees and provide information on the plan specifics and allocation choices. Altfest will also meet with individual plan participants and offer personalized information based on their individual objectives. All client accounts are regulated under the Employee Retirement Income Securities Act ("ERISA"). Altfest will provide consulting services to the plan fiduciaries as described above.

We act as advisor to other clients and may take action with respect to other clients that may differ from the timing and nature of action taken with respect to your Plan. We shall have no obligation to purchase or sell for your Plan any security which we, or our principals or employees, may purchase or sell for themselves or for any other clients.

**Current Fee Schedule – Implemented in 2018**

The firm's fee structure for investment management clients is based on client assets are as follows:

- 1% on the first \$3,000,000 annually
- 3/4 of 1% on amounts between \$3,000,001 and \$6,000,000
- 1/2 of 1% on amounts over \$6,000,000

For portfolios below \$2,000,000, there will be a minimum advisory fee administered equivalent to one tenth of one percent in addition to the fee schedule above.

For investment management clients who elect to have assets managed and reported on through account aggregation software, the maximum fee will be 1.1% per annum. The management fee for these accounts is dependent upon assets under management, the number of investment options available in the outside account, and other factors.

Fees are billed quarterly at one-quarter (1/4) of the above annual rate, payable at the beginning of each quarter. Contracts may be cancelled in writing any time and a pro-rata refund will be made of any unearned or unapplied fees. Firm has a minimum portfolio size of \$1,000,000.00, but may make exceptions. For deposits and withdrawals of \$50,000 or more received after quarter end, debits or credits are applied in the subsequent billing period in accordance with the Firm's stated advisory fee schedule. Advisory agreements contain a five (5) day penalty-free right of rescission.

For clients that are "young professionals", fees are billed based on the fee schedule above with a with a minimum quarterly fee of \$625 for the 1<sup>st</sup> year and then \$375 per quarter in subsequent years. This service includes cash flow analysis, investment analysis, investment management, and 401(k) recommendations. If the client wishes to engage Altvest in additional financial planning services, they will be billed at the hourly rate of \$250.

We may include mutual funds, exchange traded funds, and private funds in our investment strategies. These securities charge expense ratios/internal management fees and may charge commissions as well. These charges are in addition to our fee, and we do not receive any portion of these charges. This is called layering of fees.

The fee for pooled investment vehicles managed by Altvest is described in the fund offering documents.

When a client invests in a private fund where we are the adviser, we do bill the client an advisory fee in addition to the investment management fee we receive from the fund.

The method of compensation generally arises from continuing management of portfolios as opposed to reviews or investment advice at a fixed point in time or other forms of investment and or financial advice that is rendered.

The firm has utilized the following fee schedules for legacy clients:

For clients 2008 & earlier:

- 1% on the first \$1,000,000 annually
- 3/4 of 1% on amounts between \$1,000,000 and \$2,000,000
- 1/2% of 1% on amounts over \$2,000,000

For clients from 2009 to 2017:

- 1% on the first \$2,000,000 annually
- 3/4 of 1% on amounts between \$2,000,001 and \$5,000,000
- 1/2 of 1% on amounts over \$5,000,000

In certain circumstances, fees can be and have been negotiated.

**For Select Investment Review Clients:** The firm's fee charged currently is \$500 per hour but may adjust up to \$800 per hour depending on various factors. If the client requests specific investment recommendations, there is a minimum fee of \$3,500. Typically, the client pays 50% of the projected fee before service commences and 50% when the recommendations are presented. Services may be terminated at any time and the client billed only for the hours worked to that point.

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## ERISA Fiduciary Services

In situations where Altfest will provide either 3(21) or 3(38) fiduciary services to an ERISA plans and their trustees, the fees will be as follows:

- 0.75% per annum if plan assets are between \$0 and \$3,000,000
- 0.60% per annum if plan assets are between \$3,000,000 & \$6,000,000
- 0.45% per annum if plan assets are between \$6,000,000 & \$10,000,000
- 0.35% per annum if plan assets are between \$10,000,000 & \$15,000,000
- 0.30% per annum if plan assets are between \$15,000,000 & \$20,000,000
- 0.25% per annum if plan assets are between \$20,000,000 & \$30,000,000
- 0.20% per annum if plan assets are greater than \$30,000,000

Fees are billed quarterly at one-quarter (1/4) of the above annual rate, payable at the end of each quarter.

At the end of each quarterly period, the value of your portfolio shall be determined by adding the value of the securities and cash equivalents and the net cash credit balance in your portfolio. The value of a security shall be the price of the last sale of the security in the quarter, in the case of a security which is traded on a national security exchange, or the bid price therefore in the case of a security which is not so traded, or in the case of mutual funds, the net asset value of the security. Where assets are not publicly traded other estimates will be made where possible or if not, feasible cost figures may be used. It is further here disclosed that Altfest generally does not make any estimates concerning the value of non-publicly traded securities as this undertaking is completed by outside managers.

Please note: Deposits or withdrawals greater than \$50,000 made during a quarter shall be charged or credited at the above applicable rate from date of deposit or withdrawal until the end of the quarter.



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

Form ADV Part 2A, Item 6

None.

### *Types of Clients*

Form ADV Part 2A, Item 7

Individuals, pension plans, profit sharing plans, trusts, estates, charitable organizations, corporations, private funds, and other business entities.

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

Form ADV Part 2A, Item 8

#### *Methods of Analysis*

Our primary methods of investment analysis are fundamental, technical, and cyclical analysis.

**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. 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** is a type of technical analysis that involves evaluating recurring price patterns and trends based upon business cycles. 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 Strategies*

Investment strategies would be long-term purchases and short-term purchases.

#### *Material Risks Involved*

**All investing strategies we offer involve risk and may result in a loss of your original investment which you should be prepared to bear.** Many of these risks apply equally to stocks, bonds, commodities and any other investments or securities. Material risks associated with our investment strategies are listed below.

**Market Risk:** Market risk involves the possibility that an investment's current market value will fall because of a general market decline, reducing the value of the investment regardless of the operational success of the issuer's operations or its financial condition.

**Strategy Risk:** The Adviser's investment strategies and/or investment techniques may not work as intended.

**Small and Medium Cap Company Risk:** Securities of companies with small and medium market capitalizations are often more volatile and less liquid than investments in larger companies. Small and medium cap companies may face a greater risk of business failure, which could increase the volatility of the client's portfolio.

**Turnover Risk:** At times, the strategy may have a portfolio turnover rate that is higher than other strategies. A high portfolio turnover would result in correspondingly greater brokerage commission expenses and may result in the distribution of additional capital gains for tax purposes. These factors may negatively affect the account's performance.

**Limited markets:** Certain securities may be less liquid (harder to sell or buy) and their prices may at times be more volatile than at other times. Under certain market conditions we may be unable to sell or liquidate investments at prices we consider reasonable or favorable or find buyers at any price.

**Concentration Risk:** Certain investment strategies focus on particular asset-classes, industries, sectors or types of investment. From time to time these strategies may be subject to greater risks of adverse developments in such areas of focus than a strategy that is more broadly diversified across a wider variety of investments.

**Credit Risk:** An issuer of debt securities may fail to make interest payments and repay principal when due, in whole or in part. Changes in an issuer's financial strength or in a security's credit rating may affect a security's value.

**Interest Rate Risk:** Bond (fixed income) prices generally fall when interest rates rise, and the value may fall below par value or the principal investment. The opposite is also generally true: bond prices generally rise when interest rates fall. In general, fixed income securities with longer maturities are more sensitive to these price changes. Most other investments are also sensitive to the level and direction of interest rates.

**Legal or Legislative Risk:** Legislative changes or Court rulings may impact the value of investments, or the securities' claim on the issuer's assets and finances.

**Inflation:** Inflation may erode the buying-power of your investment portfolio, even if the dollar value of your investments remains the same.

**Liquidity Risk:** The risk that a given security or asset cannot be traded quickly enough in the market to prevent a loss (or make the required profit).

### *Risks Associated with Securities*

Apart from the general risks outlined above which apply to all types of investments, specific securities may have other risks.

**Bank Obligations** including bonds and certificates of deposit may be vulnerable to setbacks or panics in the banking industry. Banks and other financial institutions are greatly affected by interest rates and may be adversely affected by downturns in the U.S. and foreign economies or changes in banking regulations.

**Common stocks** may go up and down in price quite dramatically, and in the event of an issuer's bankruptcy or restructuring could lose all value. A slower-growth or recessionary economic environment could have an adverse effect on the price of all stocks.

**Exchange Traded Funds** prices may vary significantly from the Net Asset Value due to market conditions. Certain Exchange Traded Funds may not track underlying benchmarks as expected.

**Foreign Securities** typically involves more risks than investing in U.S. securities, and includes risks associated with: political and economic developments - the political, economic and social structures of some foreign countries may be less stable and more volatile than those in the U.S.; trading practices - government supervision and regulation of foreign securities and currency markets, trading systems and brokers may be less than in the U.S.; availability of information - foreign issuers may not be subject to the same disclosure, accounting and financial reporting standards and practices as U.S. issuers; limited markets - the securities of certain foreign issuers may be less liquid (harder to sell) and more volatile; and currency exchange rate fluctuations and policies. The risks of foreign investments may be greater in developing or emerging market countries.

**High-Yield Debt Securities** Issuers of lower-rated or “high-yield” debt securities are not as strong financially as those issuing higher credit quality debt securities. These issuers are more likely to encounter financial difficulties and are more vulnerable to changes in the relevant economy, such as a recession or a sustained period of rising interest rates, that could affect their ability to make interest and principal payments when due. The prices of high-yield debt securities generally fluctuate more than those of higher credit quality. High-yield debt securities are generally more illiquid (harder to sell) and harder to value.

**Mutual Funds** involve risk, including loss of some or all principal. An investor should consider the investment objectives, risks, charges and expenses of the Mutual Fund carefully before investing. The prospectuses for the Mutual Funds may be downloaded from the SEC’s website.

**Private Funds** carry market risk along with liquidity risks. You should not invest in a Private Fund unless you have no need for liquidity with respect to the investment, you are fully able to bear the financial risks of the investment for an indefinite period of time and you are fully able to sustain the possible loss of the entire investment. You should consider an investment in a Private Fund as a long-term investment that is appropriate only for a portion of your overall portfolio. The decision to invest is at the sole discretion of the client.

### ***Disciplinary Information***

Form ADV Part 2A, Item 9

No disciplinary information on file.

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

Form ADV Part 2A, Item 10

We serve as the investment manager to the Altfest Alternative Value Fund I, LLC and our affiliate, Altfest Management, LLC, serves as the Managing Member of the Fund. The Fund invests primarily in other private funds (including private equity funds and hedge funds) that focus on alternative asset classes and alternative investment strategies that the Investment Manager believes offer attractive risk-adjusted returns, and publicly traded securities that the managing member of the fund views as

opportunistic. The Fund may also allocate assets to other investment managers employing investment strategies which it believes are attractive. This Fund may invest in strategies similar to those offered by Altfest Personal Wealth Management, however it may invest in strategies and securities not available to all clients. Some of Altfest Personal Wealth Management employees and owner might choose to have an investment interest in the Fund and if so we take steps to avoid or mitigate these potential conflicts.

We serve as the investment manager to the Arden Woods Real Estate, LLC and our affiliate, ArdRE Management, LLC, serves as the Managing Member of the Fund. The Fund invests in real estate and other related assets across the United States. The Fund will seek to execute this strategy by bidding at delinquent tax auctions in select real estate markets across the US, buying properties from local governments, and partnering with operators who will, depending on the investment, provide renovation work and/or oversight at the individual property level. The Fund may also bid at other real estate auctions and may purchase properties from banks. In addition, the Fund plans to invest in any other real estate strategies that ArdRE Management, LLC, has determined represents compelling risk/reward profiles. Some of Altfest Personal Wealth Management employees and owner might choose to have an investment interest in the Fund and if so we take steps to avoid or mitigate these potential conflicts.

Altfest will devote its best efforts with respect to its management of both the Fund and its wealth management and portfolio management client accounts. Given the above discussion relative to the objectives, suitability, risk factors and qualifications for participation in the Fund, Altfest may give advice or take action with respect to the Fund that differs from that it gives for wealth management or portfolio management client accounts that are not invested in the Fund. To the extent that a particular investment is suitable for both the Fund and certain wealth management and/or portfolio management accounts, Altfest will allocate such investments between the Fund and the wealth management and/or portfolio management accounts pro rata based on the assets under management or in some other manner which Altfest determines is fair and equitable under the circumstances to all of its clients.

Mr. Andrew Altfest, President, is majority owner and Mr. Lewis Altfest, CEO minority owner of FpAlpha, Inc., (“FpAlpha”). FpAlpha is a financial technology firm that provides software to financial advisors, including Altfest, that enables financial advisors to provide comprehensive wealth management services to their clients.

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

Form ADV Part 2A, Item 11

The firm has adopted a written Code of Ethics in compliance with SEC rule 204A-1. The code sets forth standards of conduct and required compliance with federal securities laws. Our code also addresses personal trading and requires our personnel to report their personal securities holdings and transactions to the Chief Compliance Officer of the firm. We will provide a copy of our Code of Ethics to any client or prospective client upon request. Firm or a related person thereof may buy or sell for itself, himself or herself securities that are also recommended to clients. Full disclosure would be made of any conflict of interest situation.

Seeking best execution is an important aspect of every trade that we place in a client account. In choosing brokers and dealers, we are not required to consider any particular criteria. We will seek to obtain the best combination of brokerage expenses and execution quality for client transactions, but, we are not required to select the broker or dealer that charges the lowest transaction cost, even if that broker provides execution quality comparable to other brokers or dealers. In evaluating "execution quality," historical net prices (after markups, markdowns or other transaction related compensation) on other transactions will usually be a principal factor, but other factors will also be relevant, including the execution, clearance, and settlement and error correction capabilities of the broker or dealer generally and in connection with securities of the type and in the amounts to be bought or sold; the broker's or dealer's willingness to commit capital; its reliability and financial stability; the size of the transaction; the availability of securities to borrow for short sales; and the market for the security.

**Research and Other Soft-Dollar Benefits**

We do not receive benefits from broker/dealers that are often referred to in the industry as soft dollar benefits. When a firm uses client brokerage commissions to obtain these benefits, it is receiving an added benefit in that it does not need to produce or pay for the benefits that it receives. This leads an Adviser to have an incentive to select or recommend a broker-dealer based on our interest in receiving those benefits, rather than on our client's receiving most favorable execution.

Firm participated in Charles Schwab & Co.'s Schwab Institutional (SI) service program. While there is no direct linkage between the investment advice given and participation in the SI program, economic benefits are received which would not be received if Firm did not give investment advice to clients. 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 advisor participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; ability to have investment advisory fees deducted directly from client account; access, for a fee, to an electronic communication network for client order entry and account information; receipt of compliance publications; and access to mutual funds which generally require significantly higher minimum initial investments or are generally available only to institutional investors.

Firm may recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc., a registered broker-dealer, Member SIPC/NYSE/NFA, to maintain custody of clients' assets and to effect trades for their accounts. Schwab Institutional provides Firm with access to its institutional trading and operations services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors at no charge to them so long as a total of at least \$10 million of the Firm's clients' account assets are maintained at Schwab Institutional. Schwab Institutional's services include research, brokerage, custody, access to mutual funds and other investments that are otherwise available only to institutional investors or would require a significantly higher minimum initial investment. Schwab Institutional also makes available to Firm other products and services that benefit Firm but may not benefit its clients' accounts. Some of these other products and services assist Firm in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data,

facilitate payment of Firm's fees from its clients' accounts, and assist with back-office support, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of Firm's accounts, including accounts not maintained at Schwab Institutional. Schwab Institutional may also provide Firm with other services intended to help Firm manage and further develop its business enterprise. These services may include consulting, publications and presentations on practice management, information technology, business succession, regulatory compliance and marketing. In addition, Schwab may make available, arrange and/or pay for these types of services to Firm by independent third-parties. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to Firm. The availability to Firm of the foregoing products and services is not contingent upon Firm committing to Schwab Institutional any specific amount of business (assets in custody or trading). Clients should be aware, however, that the receipt of economic benefits by Firm [or its related person] in and of itself creates a potential conflict of interest and may indirectly influence Firm's choice of Charles Schwab & Co. for custody and brokerage services.

The benefits received through participation in the SI program do not depend upon the amount of transactions directed to Charles Schwab & Co., Inc.

The Firm believes that TD Ameritrade provides favorable execution, pricing, and other benefits for clients. Clients should be aware, however, that the receipt of economic benefits by Firm [or its related person] in and of itself creates a potential conflict of interest and may indirectly influence the Firm's choice of TD Ameritrade for custody and brokerage services.

### ***Review of Accounts***

Form ADV Part 2A, Item 13

With respect to investment supervisory service activity, ongoing and continuous monitoring of client portfolios shall be undertaken. Ongoing reviews to ensure portfolios are aligned with targets established for a client shall be conducted by various professionals at the firm assigned to individual clients. Portfolio rebalancing software is also utilized towards this end. Investment selection/elimination is made by the firm's investment committee.

With respect to advisory clients who have received a financial plan, in many cases an annual review shall be encouraged. Such review is typically provided by Lewis Altfest, or a senior member of the staff. Performance reports are sent to fee paying clients quarterly. Performance is also reviewed in client meetings.

### ***Client Referrals and Other Compensation***

Form ADV Part 2A, Item 14

Advisor may receive client referrals from TD Ameritrade through its participation in TD Ameritrade AdvisorDirect (the "referral program"). In addition to meeting the minimum eligibility criteria for participation in AdvisorDirect, Advisor may have been selected to participate in AdvisorDirect based on the amount and profitability to TD AMERITRADE of the assets in, and trades placed for, client accounts maintained with TD Ameritrade. TD Ameritrade is a discount broker-dealer independent of



and unaffiliated with Advisor and there is no employee or agency relationship between them. TD Ameritrade has established the referral program as a means of referring its brokerage customers and other investors seeking fee-based personal investment management services or financial planning services to independent investment advisors. TD Ameritrade does not supervise Advisor and has no responsibility for Advisor's management of client portfolios or Advisor's other advice or services. Advisor pays TD Ameritrade an on-going fee for each successful client referral. This fee is usually a percentage (not to exceed 25%) of the advisory fee that the client pays to Advisor ("Solicitation Fee"). Advisor will also pay TD AMERITRADE the Solicitation Fee on any advisory fees received by Advisor from any of a referred client's family members, including a spouse, child or any other immediate family member who resides with the referred client and hired Advisor on the recommendation of such referred client. Advisor will not charge clients referred through AdvisorDirect any fees or costs higher than its standard fee schedule offered to its clients or otherwise pass Solicitation Fees paid to TD Ameritrade to its clients. For information regarding additional or other fees paid directly or indirectly to TD Ameritrade, please refer to the TD Ameritrade AdvisorDirect Disclosure and Acknowledgement Form.

Advisor's participation in AdvisorDirect raises potential conflicts of interest. TD Ameritrade will most likely refer clients through AdvisorDirect to investment advisors that encourage their clients to custody their assets at TD Ameritrade and whose client accounts are profitable to TD Ameritrade. Consequently, in order to obtain client referrals from TD Ameritrade, Advisor may have an incentive to recommend to clients that the assets under management by Advisor be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. In addition, Advisor has agreed not to solicit clients referred to it through AdvisorDirect to transfer their accounts from TD Ameritrade or to establish brokerage or custody accounts at other custodians, except when its fiduciary duties require doing so. Advisor's participation in AdvisorDirect does not diminish its duty to seek best execution of trades for client accounts.

We have referral fee arrangements with unaffiliated persons that comply with Rule 206(4)-3 and Rule 206(4)-5 requirements under the Investment Advisers Act of 1940.

Associates of the firm are compensated for business development.

### *Custody*

Form ADV Part 2A, Item 15

We have authority to debit fees directly from client accounts. Our client assets are held with broker/dealers, banks, or other qualified custodians. Clients should receive at least quarterly statements from their qualified custodian. We urge clients to carefully review such statements and compare the official custodial records to the account statements that we may provide to them. The information in our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

**Standing Letters of Authorization:** Altfest does maintain a standing letter of authorization (SLOA) where the funds or securities are being sent to a third party, and the following conditions are met:

- a. The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.

- b. The client authorizes Altfest, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
- c. The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization and provides a transfer of funds notice to the client promptly after each transfer.
- d. The client has the ability to terminate or change the instruction to the client's qualified custodian.
- e. Altfest has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
- f. The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.
- g. Altfest maintains records showing that the third party is not a related party of Altfest or located at the same address as Altfest.

### **Private Funds**

We are deemed to have custody of the funds and securities of Private Funds in which we serve as Investment Manager when our affiliate serves as a managing member. We and our affiliates do not physically hold the funds or securities of such Private Funds; and the funds and securities of such Private Funds are not held or registered in our name or in the name of any of our affiliates.

We undertake to deliver to the investors/participants in such Private Funds, within 180 days after the end of the fiscal year of the relevant Fund, financial statements that are prepared in accordance with U.S. Generally Accepted Auditing Standards (GAAS) and such financial statements are audited by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board.

### ***Investment Discretion***

Form ADV Part 2A, Item 16

Firm has limited discretionary authority provided to it by advisory clients through the signing of a "Limited Power of Attorney".

### ***Voting Client Securities***

Form ADV Part 2A, Item 17

The general policy of the firm is to not vote proxy statements on behalf of clients.

### ***Financial Information***

Form ADV Part 2A, Item 18

The firm does not receive fees more than six months in advance.