

**Chadwick & D'Amato, LLC  
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**March 30, 2021**

**FORM ADV PART 2A  
BROCHURE**

**This brochure provides information about the qualifications and business practices of Chadwick & D'Amato, LLC. If you have any questions about the contents of this brochure, please contact us at 603-526-2409. 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 Chadwick & D'Amato, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Chadwick & D'Amato, LLC is 116197.**

**Chadwick & D'Amato, LLC is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.**

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### ***Material Changes***

There are no material changes in this brochure from the last annual updating amendment of Chadwick & D'Amato, LLC on March 23, 2020. Material changes relate to Chadwick & D'Amato, LLC's policies, practices or conflicts of interests only.

## **Advisory Business**

Form ADV Part 2A, Item 4

Chadwick & D'Amato, LLC's (the "Firm") registration was granted by the U.S. Securities and Exchange Commission on January 12, 2004. Thomas M. Chadwick (CRD Number 2870028) is Principal and Chief Compliance Officer of the Firm. Anthony J. D'Amato (CRD Number 4185989) is Principal of the Firm. Thomas M. Chadwick owns eighty (80%) percent of the equity of the Firm whereas Anthony J. D'Amato owns twenty (20%). The Firm is not publicly owned or traded. There are no indirect owners of the Firm or intermediaries which have any ownership interest in the Firm. As of December 31, 2020, the Firm managed, on a discretionary basis, \$63,203,759.

Chadwick & D'Amato, LLC is an investment adviser providing financial planning, consulting, and investment management services to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, investment companies, corporations and business entities. The Firm, depending upon the engagement, offers its services on a fee basis which may include hourly and/or fixed fees. Prior to engaging the Firm to provide any of the foregoing investment advisory services, the client will be required to enter into one or more written agreements with the Firm setting forth the terms and conditions under which the Firm shall render its services (collectively the "Agreement").

Prior to engaging the Firm to provide financial planning and/or consulting services, the client will generally be required to enter into a written agreement with the Firm setting forth the terms and conditions of the engagement and describing the scope of the services to be provided and the portion of the fee that is due from the client prior to the Firm commencing services. The Firm's financial planning / consulting fee (estimated hourly or fixed) is generally due in full upon delivery of the financial plan or completion of the agreed upon services. Either party may terminate the agreement by written notice to the other. In the event the client terminates the Firm's financial planning and/or consulting services,

the balance of the Firm's unearned fees (if any) shall be refunded to the client. If termination occurs within five business days of entering into an agreement for such services the client shall be entitled to a full refund. Fee refunds are prorated based on termination date. For example: a client pays \$750 per quarter and resigns on day 30 of a quarter with 90 days. The refund would be \$500, the amount total amount of unearned advisory fees. Clients may terminate the agreement without penalty, for full refund of the firm's fees, within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract with thirty days' written notice. In performing its services, the Firm shall not be required to verify any information received from the client or from the client's other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information. The Firm may recommend the services of itself and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if the Firm recommends its own services. The client is under no obligation to act upon any of the recommendations made by the Firm under a financial planning / consulting engagement and/or engage the services of any such recommended professional, including the Firm itself. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any of the Firm's recommendations. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify the Firm if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing, evaluating, or revising the Firm's previous recommendations and/or services.

The Firm's management using the *investment strategy* has been designed to comply with the requirements of Rule 3a-4 of the Investment Company Act of 1940, as amended. Rule 3a-4 provides similarly-managed accounts, such as the *investment strategy*, with a safe harbor from the definition of

an investment company. In accordance with Rule 3a-4, the following features have been specifically included in the Firm's management using the *investment strategy*:

1. **Initial Interview** – an initial interview is conducted with each client to determine the client's financial circumstances, goals, acceptable levels of risk, any reasonable restrictions on the management of their account, and other relevant circumstances;
2. **Individual Treatment** – the client's account is managed on the basis of the client's financial circumstances and investment objectives;
3. **Consultation** – an *Advisory Affiliate* of the Firm knowledgeable about the client's account shall be reasonably available to consult with the client relative to the status and management of their account;
4. **Notice of Transactions** – the client shall receive notice of all transactions in their account as if they had maintained a similar account outside of the *program*;
5. **Quarterly Statement** – the Custodian will provide the client with an account statement at least quarterly containing a description of all activity in their account;
6. **Ability to Impose Restrictions** – the client shall have the ability to impose reasonable restrictions on the management of their account, including the ability to instruct the Firm not to purchase certain securities or types of securities;
7. **No Pooling** – the client's beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the securities which comprise the client's account;
8. **Separate Account** – a separate account is maintained for the client with the custodian; and
9. **Ownership** - each client retains ownership of the account (e.g. right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).

In order to meet its fiduciary duties to all of its clients, the Firm will endeavor to allocate investment opportunities among its clients on a fair and equitable basis.

The Firm will require the assigning the *Agreement* with consent of the other party. Transactions that do not result in a change of actual control or management of the Firm shall not be considered an assignment.

A copy of the Firm's privacy policy notice and a written disclosure statement shall be provided to each client prior to or contemporaneously with the execution of the *Agreement*. Any client shall have five (5) business days subsequent to executing the agreement to terminate the Firm's services without penalty.

## *Fees and Compensation*

Form ADV Part 2A, Item 5

The Firm may provide its clients with a broad range of comprehensive financial planning and consulting services (which may include non-investment related matters). The focus is on developing long-term client relationships where our work can have the greatest positive impact. We offer two levels of service, project, and ongoing management:

### **Project Services**

Our project services involve any service we provide that is not ongoing management services. You understand that as a project client our services are limited in nature and we are under no obligation to contact you in the future to recommend changes to your financial situation. Furthermore, we will not monitor your investment portfolio or the recommendations made under this agreement on an ongoing basis. Upon completion of the agreed services, our engagement will be terminated. Thereafter, in the event your financial situation or objectives change, you may engage us to review our previous reports and the recommendations made in those reports. Additionally, you may engage us to perform other financial planning services on your behalf. Any such additional services shall be provided at the then agreed upon fee schedule.

Implementation. You understand and agree that we have no responsibility for implementing our recommendations unless you specifically request either verbally or in writing that you desire our assistance with plan implementation. It is possible for the cost of implementation services to exceed the estimated fee quoted for/during plan development. We will inform you of any additional costs prior to any work being completed.

Fees. Our fees for project services are based on: 1) a minimum hourly rate of \$250, with many engagements requiring a higher hourly rate or 2) a flat project fee with possible adjustments for implementation or changes in the scope of the initial project. If possible, we will deduct our fee directly from an Account you have established with our current Custodian. We will mail you a fee statement.

### **Ongoing Management Services**

Our ongoing management services involve a continuous system of financial planning, project management, and investment advisory services. We will continuously manage your investment portfolio on a discretionary basis. Discretionary investment management services do not require client approval before changes are made to an investment portfolio. We will contact you at least annually for a review of your financial situation, including a review of your investment portfolio.



Internal and Spot Reviews. We perform very frequent internal and spot reviews of your investment portfolio, in addition to keeping you informed of any other project activities we are currently working toward completing on your behalf. On occasion, there are small investment changes we desire to make and as discretionary accounts we are not required to contact you to obtain permission.

Financial Planning and Project Management. Our goal is to become an indispensable part of your financial team. We want to help you complete the tasks necessary to achieve the difficult goal of accumulating assets for life's various pursuits. You will find us giving you regular reminders of any outstanding implementation items you have approved to be completed. If the item is something we can complete without your involvement, then you can expect the item be completed in a timely manner. However, our recommendations are based upon our professional judgment. We do not guarantee the results of any of our recommendations or guarantee that every implementation strategy will be successful.

Fees. Our fees for ongoing management services are based on 1) a flat quarterly fee or 2) a minimum hourly rate of \$250, with many engagements requiring a higher hourly rate. In addition, we reserve the right to charge a flat fee for implementation of your initial financial plan. This implementation fee reflects the significant amount of work required to properly implement the initial financial planning recommendations. Fees are deducted quarterly from your Account, with the occasional exception of direct billing for certain clients.

For the initial quarter of investment management services, the first quarter's fees shall be calculated on a *pro rata* basis. The *Agreement* between the Firm and the client will continue in effect until terminated by either party pursuant to the terms of the *Agreement*. The Firm's fee shall be prorated through the date of termination and any remaining balance shall be charged or refunded to the client, within 30 days of the date of termination.

The Firm's clients are advised to promptly notify the Firm if there are ever any changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon the Firm's management services.

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

Form ADV Part 2A, Item 6

The Firm 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.

### *Types of Clients*

#### Form ADV Part 2A, Item 7

The Firm provides investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, investment companies, corporations and business entities.

The Firm does not impose an account minimum for starting or maintaining an account. However, as further discussed below, the Firm generally imposes a minimum annual fee for its investment management services. The Firm, in its sole discretion, may negotiate to charge a lesser management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, pro bono activities, etc.).

The minimum required is \$125 quarter or \$500 per year, but the firm will allow exceptions.

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

Form ADV Part 2A, Item 8

With regard to the method of securities analysis, the Firm shall use fundamental, technical and cyclical analysis.

The Firm intends to allocate its client's investment management assets, on a fully-discretionary basis, among mutual funds and exchange traded funds, as well as the securities components of variable annuities and variable life insurance contracts in accordance with the investment objectives of the client.

Investment strategies shall be long term purchases (securities held at least one year) and short term purchases (securities held for less than one year.)

***Disciplinary Information***

Form ADV Part 2A, Item 9

There are no criminal or civil actions to report.

There are no administrative proceedings to report.

There are no self-regulatory organization proceedings to report.

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

Form ADV Part 2A, Item 10

Neither the advisor nor its representatives have any material relationships to this advisory business that would present a possible conflict of interest.

***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. The code sets forth the standards of conduct and requires 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 Firm's Chief Compliance Officer. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

The Firm also maintains and enforces written policies reasonably designed to prevent the unlawful use of material non-public information by the Firm or any of its *Advisory Affiliates*.

The Firm does not buy nor sell for itself securities that it also recommends to clients. However, persons associated with the Firm ("Associated Persons") are permitted to buy or sell securities that it also recommends to clients consistent with the following policies and procedures:

Unless specifically defined in the Firm's procedures (summarized below), none of the Firm's Associated Persons may effect for himself or herself, for his or her immediate family (i.e., spouse, minor children, and adults living in the same household as the Associated Person), or for trusts for which the Associated Person serves as a trustee or in which the Associated Person has a beneficial interest (collectively "*Covered Persons*"), any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of the Firm's clients.

When the Firm is purchasing or considering for purchase any security on behalf of a client, no *Covered Person* may effect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when the Firm is selling or considering the sale of any security on behalf of a client, no *Covered Person* may effect a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security.

The foregoing policies and procedures are not applicable to (a) transactions effected in any account over which neither the Firm nor any of its *Advisory Affiliates* (as defined in this Form ADV) has any direct or indirect influence or control; and (b) transactions in securities that are: direct obligations of the government of the United States; bankers' acceptances, bank certificates of deposit, commercial paper, and high quality short-term debt instruments, including repurchase agreements; or shares issued by registered open-end investment companies.

This policy has been established recognizing that some securities being considered for purchase and sale on behalf of the Firm's clients trade in sufficiently broad markets to permit transactions by clients to be completed without any appreciable impact on the markets of such securities. Under certain circumstances, exceptions may be made to the policies stated above, with appropriate records maintained.



## ***Brokerage Practices***

Form ADV Part 2A, Item 12

The Firm shall generally recommend that clients utilize the brokerage and clearing services of Fidelity Investments and its affiliates (collectively referred to as “Fidelity”) for investment management accounts. Fidelity provides the Firm with a dedicated customer service team and access to their services via Wealthscape (the investment advisor portal). The only potential conflict would be if clients could have broader access to investments at a lower cost with a different custodian. This is not the case as other custodians offer similar services at similar costs with similar access/options to clients. The Firm reviews the services at these custodians periodically to ensure the existing relationship is beneficial to clients and the Firm.

The Firm may only implement its investment management recommendations after the client has arranged for and furnished the Firm with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions shall include, but are not limited to, *Fidelity*, any other broker-dealer recommended by the Firm, broker-dealer directed by the client, trust companies, banks, etc. (collectively referred to herein as the “*Financial Institution(s)*”).

Clients may incur certain charges imposed by the *Financial Institution(s)* and other third parties such as custodial fees, charges imposed directly by a mutual fund or exchange traded fund in the account, which shall be disclosed in the fund’s prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Clients may

incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to the Firm's fee.

The Firm may receive from *Fidelity*, without cost, computer software and related systems support, which allow the Firm to better monitor client accounts maintained at *Fidelity*. The Firm may receive the software and related support without cost because the Firm renders investment management services to clients that, in the aggregate, maintain a certain level of assets at *Fidelity*.

Specifically, the Firm may receive the following benefits from *Fidelity* through the Fidelity Registered Investment Advisor Group: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its Registered Investment Advisor Group participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

The firm may receive products or services other than execution ("soft dollar benefits") from a broker-dealer or third-party for generating commissions. The firm does not earn commissions and they do not pay anything to Fidelity for using the advisor platform. This may present as a possible conflict of interest.

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

Form ADV Part 2A, Item 13

For those clients to whom the Firm provides investment supervisory services, the Firm monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. For those clients to whom the Firm provides financial planning and/or consulting services, reviews are conducted on an “as needed” basis. Such reviews are conducted by one of the Firm’s Principals. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with the Firm and to keep the Firm informed of any changes thereto. The Firm shall contact ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client’s financial situation and/or investment objectives.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts.

Those clients to whom the Firm provides investment advisory services will also receive a report from the Firm that may include such relevant account and/or market-related information such as an inventory of account holdings and account performance that clients will be provided. Those clients to whom the Firm provides financial planning and/or consulting services will receive reports from the Firm summarizing its analysis and conclusions as requested by the client or otherwise agreed to in writing by the Firm.

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

Form ADV Part 2A, Item 14

If a client is introduced to the Firm by either an unaffiliated or an affiliated solicitor, the Firm may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Advisers Act and any corresponding state securities law requirements. Any such referral fee shall be paid solely from the Firm's investment management fee, and shall not result in any additional charge to the client. If the client is introduced to the Firm by an unaffiliated solicitor, the solicitor shall provide the client with a copy of the Firm's written disclosure statement which meets the requirements of Rule 204-3 of the Advisers Act and a copy of the solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement including compensation. Any affiliated solicitor of the Firm shall disclose the nature of his/her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of the Firm's written disclosure statement at the time of the solicitation. Any solicitor's the firm uses in the state of New Hampshire will be registered to stay compliant with the New Hampshire solicitor requirements.

## *Custody*

### Form ADV Part 2A, Item 15

When advisory fees are deducted directly from client accounts at client's custodian, the Firm will be deemed to have limited custody of client's assets. Because client fees will be withdrawn directly from client accounts, in states that require it, The Firm will:

- (A) Possess written authorization from the client to deduct advisory fees from an account held by a qualified custodian.
- (B) Send the qualified custodian written notice of the amount of the fee to be deducted from the client's account and verify that the qualified custodian sends invoices to the client.
- (C) Send the client a written invoice itemizing the fee upon or prior to fee deduction, including the formula used to calculate the fee, the time period covered by the fee and the amount of assets under management on which the fee was based.

Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy. Clients are urged to compare the account statements they received from custodian with those they received from The Firm.

### ***Investment Discretion***

Form ADV Part 2A, Item 16

The Firm may render investment management services to clients relative to: (1) variable life/annuity products that they may own, and/or (2) their individual employer-sponsored retirement plans. In so doing, the Firm either directs or recommends the allocation of client assets among the various mutual fund subdivisions that comprise the variable life/annuity product or the retirement plan. The client assets shall be maintained at either the specific insurance company that issued the variable life/annuity product which is owned by the client, or at the custodian designated by the sponsor of the client's retirement plan. The firm provides discretionary and non-discretionary investment advisory services to clients.

### *Voting Client Securities*

Form ADV Part 2A, Item 17

The Firm 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.

### ***Financial Information***

Form ADV Part 2A, Item 18

The Firm does not require nor solicit prepayment of more than \$500 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

Neither the Firm nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

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