

**Form ADV Part 2A Brochure**

**ARS Capital Advisors, Inc.**

500 North Broadway  
Suite 139  
Jericho, NY 11753

Phone: 516-932-7223  
Fax: 516-932-3112

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

December 31, 2020

This brochure provides information about the qualifications and business practices of ARS Capital Advisors, Inc. If you have any questions about the contents of this Brochure, please contact Anthony R. Spatafore at 516-932-7223. 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 ARS Capital Advisors, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Any references to ARS Capital Advisors, Inc as a registered investment adviser or its related persons as registered advisory representatives does not imply a certain level of skill or training.

## Item 2 – Material Changes

---

### **Annual Update**

The Material Changes section of this Brochure will be updated annually when material changes occur after the previous release of this Brochure. When there are Material Changes to our business, we will inform you by providing a new Brochure or giving you a summary of the changes we made.

Since our last brochure amendment of April 2020, the following changes have been made:

- As of December 31, 2020, the total amount of client assets managed by ARS is approximately \$133,000,000. Of this total amount, \$60,000,000 of client assets are managed on a discretionary basis and \$ 73,000,000 of client assets are managed on a non-discretionary basis.

Our brochure may be requested, free of charge, by contacting Anthony R. Spatafore at 516-932-7223. Additional information about ARS Capital Advisors, Inc. is also available via the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The website also provides information about any persons affiliated with ARS Capital Advisors, Inc. who are registered, or are required to be registered, as investment adviser representatives of ARS Capital Advisors, Inc.

## Item 3 – Table of Contents

---

Item 2 – Material Changes .....	2
Item 4 – Advisory Business .....	4
Item 5 – Fees and Compensation .....	6
Item 6 – Performance-based Fees and Side-by-Side Management.....	9
Item 7 – Types of Clients .....	9
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss .....	10
Item 9 – Disciplinary History .....	12
Item 10 – Other Financial Industry Activities and Affiliations .....	12
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading. .	13
Item 12 – Brokerage Practices .....	14
Item 13 – Review of Accounts .....	18
Item 14 – Client Referrals and Other Compensation .....	19
Item 15 – Custody .....	19
Item 16 – Investment Discretion .....	19
Item 17 – Voting Client Securities .....	20
Item 18 – Financial Information .....	20

## Item 4 – Advisory Business

---

### Company

ARS Capital Advisors, Inc. is a privately-held New York corporation that has been registered as an investment adviser with the SEC since 2010. The company was formed when Anthony R. Spatafore concluded his association with ARS Financial Services, Inc., a SEC-registered investment advisory firm that was founded by Mr. Spatafore in 1982. Through ARS Financial Services, Inc., and now ARS Capital Advisors, Inc., Mr. Spatafore has been providing investment advice as a registered investment adviser representative continuously since 1984.

Throughout this disclosure brochure, ARS Capital Advisors, Inc. is referred to as “ARS”.

ARS is comprised of a highly experienced team of Certified Financial Planner practitioners dedicated to providing its clients with objective financial advice. ARS adheres to the Six Step Financial Planning Process outlined by the CFP Board of Standards. ARS’ endeavor is to develop solutions and bestow advice to assist its Clients with deciphering their financial problems and reaching their financial goals.

The principal owner of ARS Capital Advisors, Inc. is Anthony R. Spatafore.

### Services

ARS provides financial, tax, retirement, and estate planning. ARS investment adviser representatives supervise, on a continuing basis, the investments and reinvestments of clients’ assets. ARS offers prospective clients a free one-hour consultation to introduce them to ARS, its personnel and services.

### Investment Management Services

ARS provides personalized investment management services. Through personal discussions, during which goals and objectives based on a client's particular circumstances are established, ARS and the client agree on investment guidelines. Thereafter, ARS creates and manages a customized portfolio, allocating the client's assets among various investments while taking into consideration the client’s risk tolerance.

ARS will manage these advisory accounts on either a **discretionary** or **nondiscretionary** basis. A discretionary investment advisory account is an account where buy and sell decisions are made by your Financial Professional for your account. The term "discretionary" refers to the fact that investment decisions are made at the Financial Professional’s discretion. A non-discretionary investment advisory account is an account where buy and sell decisions are made by the client. This means that the client must direct all transactions to be completed on an account. The Financial Professional does not have the ability to complete transactions without first getting permission from the client. Clients will have the opportunity to place reasonable restrictions on the types of investments which will be made on the client's behalf.

### Financial Planning Services

ARS practitioners specialize in retirement, estate, and tax planning. ARS offers investment advice, tax strategies and cash flow planning for clients seeking retirement planning. ARS also assists clients in estate planning concepts to help preserve their wealth in family transfer.

Financial Planning is primarily an analytical process designed to organize financial data, identify needs and opportunities, and evaluate alternative courses of action. It may include analysis of current net worth, income taxes, cash flow and budgeting, investments and asset allocation, retirement planning, employee benefit plan analysis, estate and gift tax planning, education pre-funding and risk management focusing on life, health, and disability coverage.

In general, ARS gathers required information through personal interviews. ARS will typically meet with the client to conduct an evaluation of the client's current financial status, future goals, and attitudes towards risk. ARS conducts a financial analysis and prepares a written plan that describes the client's current situation, identifies needs and opportunities, and makes suggestions designed to help the client achieve stated goals.

The thoroughness of the financial plan depends upon the client's cooperation in providing ARS with recent income tax returns, wills, trust agreements, all insurance policies currently in effect, a schedule of all of the client's assets (including cash, securities, commodities, real estate, significant personal property, etc.), a schedule of liabilities (including an accurate list of all outstanding mortgages, loans and significant bills), estimates of anticipated income and expenses and other related financial information.

While financial analyses may include investment advice concerning mutual funds and securities, it may also include investment advice with respect to products that may or may not constitute "securities," such as life insurance and annuities. It also takes into consideration estate tax planning issues that may not constitute "Investment" advice.

ARS may recommend its own services, the services of its own investment adviser representatives in their individual capacities as registered representatives of a Broker-Dealer, and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if ARS recommends its own services or that of its own investment adviser representatives. The client is under no obligation to act upon any of the recommendations made by ARS under a financial planning engagement and/or engage the services of any such recommended professional, including ARS or any of its related persons. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any of ARS' recommendations.

In performing its services, ARS shall not be required to verify any information received from the client or from the client's other professionals and is expressly authorized to rely thereon. If requested by the client, ARS may suggest the services of other professionals for implementation services, but the client is under no obligation to engage the services of any suggested professional.

#### Assets Under Management

As of December 31, 2020, the total amount of client assets managed by ARS is approximately \$133,000,000. Of this total amount, \$60,000,000 of client assets are managed on a discretionary basis and \$ 73,000,000 of client assets are managed on a non-discretionary basis.

## **Item 5 – Fees and Compensation**

---

### Investment Management Services Fees

The annual fee for Investment Management Services is charged as a percentage of assets under management at an annual rate equal to 1.2% of the market value of the Client's portfolio.

Clients will be billed at the beginning of each calendar quarter based upon the market value of the assets in the client's portfolio at the end of the previous quarter. Market value will be determined by the account custodian. In the event that the account custodian cannot provide a market value for an asset, ARS will determine a fair market value for that asset.

Unless otherwise agreed to, ARS is authorized to invoice the account custodian directly for its fees. From time to time, small portions of positions will be sold to bring the cash account balance to the level required for automatic deduction of fees. It is understood that the payment of these fees will reduce the total investment return.

If a client engages ARS on a date that is not the first day of a calendar quarter, the Client's fee will be calculated on a pro-rata basis for that quarter. If an account is terminated during a calendar quarter, fees will be adjusted pro rata based upon the number of calendar days in the calendar quarter that the agreement was effective. Details of the investment management fee charged are more fully described in the advisory agreement entered into with each client.

### Financial Planning Service Fees

Financial Planning Services fees will be charged as an hourly fee at the rate of \$300 per hour. The length of time it will take to complete the advisory service will depend on the nature and complexity of the individual client's personal circumstances. An estimate for total hours will be determined at the start of the advisory relationship.

ARS requires an initial deposit equal to 50% of what ARS reasonably estimates it will cost the client to complete the financial plan. The balance of the Financial Planning Services fees is due and payable upon completion and delivery of a financial plan satisfactory to the client. A client is entitled to a refund of any unused portion of their deposit if they or ARS elects to cancel the financial planning services agreement.

### Additional Compensation

In the event the client desires, the client can engage certain ARS investment adviser representatives (but not ARS itself) to provide securities brokerage services under a commission arrangement. Under this arrangement, the client may implement securities transactions through these individuals in their capacity as registered representatives of Cadaret Grant & Co., Inc. ("Cadaret"), a registered broker-dealer and FINRA member. Unless otherwise instructed, securities transactions will be affected through Cadaret. Brokerage commissions may be charged by Cadaret to affect these securities transactions and thereafter, a portion of these commissions may be paid by Cadaret to such individuals. Prior to affecting any transaction, the client will be required to enter into a separate account agreement with Cadaret. The brokerage commissions charged by Cadaret may be higher or lower than those charged by other broker dealers.

While ARS does not sell such securities products to its investment advisory clients, ARS does permit certain related persons, in their individual capacities as registered representatives of Cadaret, to sell securities products to its investment advisory clients. A conflict of interest exists to the extent that ARS recommends the purchase of securities where individuals associated with ARS receive commissions or other additional compensation as a result of ARS's recommendations.

For accounts covered by ERISA (and such others that ARS, in its sole discretion deems appropriate), ARS may modify the foregoing commission arrangement to allow for its investment advisory services to be rendered on a fee-offset basis. In this scenario, ARS may offset its fees by an amount equal to the aggregate commissions and 12b-1 fees earned by these individuals associated with ARS in their capacities as registered representatives of Cadaret.

### Important Additional Information

#### Fees Negotiable

ARS retains the right to modify fees, including minimum account and minimum fee sizes, in its sole and absolute discretion, on a client-by-client basis based on the size, complexity and nature of the advisory services provided.

#### Financial Planning Services Fee Offset

If a financial planning services client engages an ARS investment adviser representative in their capacity as a registered representative of Cadaret Grant & Co., Inc. to implement all or some of the recommendations in the financial plan, ARS will waive the hourly fee for the time spent implementing the plan. In such situations, the client will only be charged the normal commission rate applicable to such transactions.

Clients are advised that they have the option of paying for investment advice by the hour or by affecting transactions in securities or insurance products through the investment adviser representative in his capacity as a registered representative of Cadaret or as a properly licensed insurance salesperson. Clients are further advised that they have the right to effect transactions in securities or purchase insurance products with any company of their choice subject to their obligation to pay the \$300 hourly rate.

#### Direct Debiting of Client Accounts

In order for ARS's advisory fees to be directly debited from a client's account, the Client must provide written authorization permitting ARS to bill the custodian. In addition, the account must be held by a qualified custodian and the qualified custodian must agree to send to the client an account statement on at least a quarterly basis. The account statement must indicate all amounts disbursed from the account including the amount of advisory fees paid directly to ARS. Clients are informed that it is their responsibility to verify the accuracy of the fee calculation and that the account custodian will not determine whether the fee is properly calculated.

#### Engaging the Services of ARS

All clients wishing to engage ARS for investment advisory services must first complete the applicable investment advisory agreement as well as any other document or questionnaire provided by ARS. The investment advisory agreement describes the services and responsibilities of ARS to the client. It also outlines ARS's fee in detail.

In addition, clients must complete certain broker-dealer/custodial documentation. Upon completion of all these documents, ARS will be considered engaged by the client. Clients are responsible for ensuring that ARS is informed in a timely manner of changes in their investment objectives and risk tolerance.

Neither ARS nor the client may assign the investment advisory agreement without the consent of the other party. Transactions that do not result in a change of actual control or management of ARS is not to be considered an assignment.

A copy of ARS's privacy policy notice and this written disclosure statement are provided to each client prior to or contemporaneously with the execution of the investment advisory agreement. Any client who has not received a copy of ARS's written disclosure statement at least forty eight (48) hours prior to executing the investment advisory agreement shall have five (5) business days subsequent to executing the agreement to terminate ARS's services without penalty.

#### Termination of Client Relationship

A client agreement may be canceled at any time, by either party, for any reason upon receipt of ten (10) days prior written notice. Upon termination of any account, any earned, unpaid fees will be due and payable, and any prepaid fees will be refunded. When possible, ARS will credit a client's account for the amount of the refund. Otherwise, ARS will send a check to the client for the amount of the refund.

#### Additions and Withdrawals to Client's Account

The client may make additions to and withdrawals from the account at any time, subject to ARS's right to terminate an account. Clients may withdraw account assets on notice to ARS, subject to the usual and customary securities settlement procedures.

Additions may be in cash or securities provided that ARS reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. ARS may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated; they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

#### Mutual Fund Share Classes

ARS utilizes various share classes for its nondiscretionary clients, depending on each client's investment situation. Class "A" shares are generally used with higher breakpoint levels that reduce the upfront cost to the client. Class "B" shares are generally used at lower investment levels which offer no upfront cost, but have contingent deferred sales charge reducing over time. Class "B" shares may incur higher fees and expenses than other classes of fund shares if not held for certain specific terms. Class "C" shares offer no upfront cost but may have higher 12b-1 fees. Class "C" shares are used by investment adviser representatives of ARS in their individual capacity as registered representatives of Cadaret, Grant & Co., Inc. as a substitute for ARS investment management clients who require financial planning and investment advice over the long-term.

Effective January 2017 ARS Capital Advisors, Inc. will no longer offer mutual funds that carry a 12b-1 fee in Advisory Accounts.



## Mutual Fund Fees

All fees paid to ARS for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A Client could invest in a mutual fund directly, without the services of ARS. In that case, the client would not receive the services provided by ARS which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives.

To the extent those client assets are invested in money market funds or cash positions, the fees for monitoring those assets is in addition to the fees included in the internal expenses of those funds paid to their own investment managers, which are fully disclosed in each fund's prospectus. Accordingly, the client should review both the fees charged by the funds and the fees charged by ARS to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

## Trading and Other Costs

All fees paid to ARS for investment advisory services are separate and distinct from transaction fees charged by broker dealers associated with the purchase and sale of equity securities and options. Such fees may include odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. In addition, fees do not include the services of any co-fiduciaries, accountants, broker dealers or attorneys. Please see the section entitled "Brokerage Practices" on page 12 of this disclosure brochure for additional information on brokerage and other transaction costs.

## Item 6 – Performance-based Fees and Side-by-Side Management

---

ARS does not accept performance-based fees (e.g., fees based on a share of capital gains or capital appreciated of the assets in a client's account).

## Item 7 – Types of Clients

---

ARS provides investment advisory services to individuals (including high net worth individuals), pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other types of business entities.

### Conditions for Managing Accounts

#### Investment Management Services

As a condition for starting and maintaining a relationship, ARS shall generally impose a minimum portfolio size of \$100,000. ARS, in its sole discretion, may accept Clients with smaller portfolios based upon certain criteria including anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client and account retention. ARS may aggregate the portfolios of family members to meet the minimum portfolio size.

## Financial Planning Services

The minimum fee requirement for a comprehensive financial plan is \$300.00 per hour.

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

---

### Types of Investments

Investment advice may be offered on any investments held by a client at the start of the advisory relationship. Recommendations for new investments will typically be limited to domestic and foreign equity securities, warrants, corporate debt securities, certificates of deposit, municipal and United States government securities, mutual funds, exchange traded funds (ETFs), variable life insurance, variable annuities, and options.

### Investment Strategies

ARS may utilize different investment strategies, based upon the needs of the client, including long-term purchases, short-term purchases, margin transactions, option writing and asset allocation.

### Security Analysis

The security analysis method employed by ARS is fundamental analysis.

### Sources of Information

In conducting security analysis, ARS may utilize the following sources of information: financial newspapers and magazines, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the U.S. Securities and Exchange Commission and company press releases. In addition, ARS may receive investment advice regarding various securities products from Cadaret Grant & Co., Inc., a FINRA Registered Broker-Dealer. ARS also utilizes the services of Morningstar. Please see the section “*Research/Soft Dollars Benefits*” in this disclosure brochure for additional information.

### Risk

Investing in securities involves risk of loss that each client should be prepared to bear. Typical investment risks include market risk typified by a drop in a security’s price due to a company specific event (e.g. unsystematic risk), or general market activity (e.g., systematic risk). In addition, certain strategies may impose more risk than others. For example, with fixed income securities, a period of rising interest rates could erode the value of bond since bond values generally fall as bond yields rise. Investment risk with international equities also includes fluctuation in currency values, differences in accounting and economic and political instability. Depending upon the client need and investment mandate, ARS will attempt to thoroughly explain the applicable risks.

Clients are advised of other general types of risk associated with investment in the securities markets:

- **Capital Risk:** the risk that the client will not fully recover his/her entire investment. Options and other speculative investments have a high degree of this type of risk, while quality short-term investments such as Treasury bills enjoy minimal capital risk.
- **Selection Risk:** the risk of selecting a security that performs worse than other available securities.
- **Timing Risk:** the risk of buying or selling at an inopportune time, thus limiting profit or incurring a loss.
- **Legislative Risk:** the risk that future legislation will impact today's investment decisions. Federal, state, and local laws or regulations may change without notice, possibly impacting a security's performance.
- **Liquidity Risk:** the risk that, should the quality or desire of a particular investment decrease, the holder will have a difficult time selling.
- **Market Risk:** the risk that the value of a security will decline due to overall market conditions, not by any fault of the issuing company.
- **Credit Risk:** the risk that a securities issuer may become unable to pay interest and/or principal when due on fixed income securities. U.S. Government securities are the least likely to default on payments, while "junk" bonds have a high degree of credit risk.
- **Inflationary Risk:** the risk that inflation will reduce the purchasing power of a dollar over time. Equity securities tend to provide the best protection against this type of risk, while bonds are more susceptible due to their fixed income and possible long-term exposure to rises in inflation.
- **Interest Rate Risk:** the risk that, as interest rates rise, a bond client's holdings will decline as more attractive offerings enter the market. The longer the maturity on the bond, the greater the risk. Some stocks are susceptible to this type of risk as well (companies that borrow for financing operations will see less profit should the cost of borrowing increase; this will decrease their stock price).

Listed above are some of the primary risks associated with the way we recommend investments to you. Please do not hesitate to contact us to discuss these risks and others in more detail.

**Investments in securities involve the risk of loss and the client should be prepared to bear such loss.**

### Exchange Traded Funds (ETFs)

Equity-based exchange traded funds are subject to risks similar to those of stocks. If the stock tracked within an ETF decline due to weakening fundamentals, crumbling technical support, global events, or any other market fluctuations, the value of the ETF will go down. Fixed income-based ETFs are subject to risks similar to those of bonds such as increasing interest rates. Investment returns will fluctuate and are subject to market volatility, so that an investor's ETF shares, when redeemed or sold, may be worth more or less than their original cost.

### Margin Transactions

When buying stocks on margin, an individual is employing leverage as an investing strategy. Leverage allows you to extend your financial reach by investing using borrowed funds while limiting the amount of your own cash you expend. Please note, however, that this can involve a high degree of risk. Some of these risks include:

- Losing more money than you have invested;
- Being required to deposit additional cash or securities in your account on short notice to cover market losses;
- Being forced to sell some or all of your securities when falling stock prices reduce the value of your securities; and
- Having your brokerage firm sell some or all of your securities without consulting you to pay off the loan it made to you.

## Options

There are numerous risks associated with transactions in options on securities or securities indexes. A decision as to whether, when and how to use options involves the exercise of skill and judgment, and even a well-conceived transaction may be unsuccessful to some degree because of market behavior or unexpected events. As the writer of covered call options, the client forgoes, during the option's life, the opportunity to profit from increases in the market value of the underlying security or the index above the sum of the option premium received and the exercise price of the call, but has retained the risk of loss, minus the option premium received, should the price of the underlying security decline. In the case of index options, the client incurs basis risk between the performance of the underlying portfolio and the performance of the underlying index. For example, the underlying portfolio may decline in value while the underlying index may increase in value, resulting in a loss on the call option while the underlying portfolio declines as well.

## Cash Management

Cash balances in client accounts are invested in money market mutual funds. These cash balances are included in the account market value for the computation of the investment management fee. ARS will maintain cash balances to meet foreseeable short-term client cash needs, as a temporary repository pending investment in other securities, or as a defensive position when market conditions are considered adverse. High cash balances may be maintained for new clients whose accounts initially consist of high cash positions as cash is gradually invested in equity and fixed income securities.

## Item 9 – Disciplinary History

---

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to an evaluation of ARS or the integrity of ARS management. ARS has no information applicable to this item. Further information concerning the Firm and its investment adviser representatives can be found at <http://brokercheck.finra.org> and <http://www.adviserinfo.sec.gov/IAPD>.

## Item 10 – Other Financial Industry Activities and Affiliations

---

### Registered Representatives

Certain investment adviser representatives of ARS are also registered representatives of Cadaret Grant & Co., Inc. (“Cadaret”), a FINRA-Registered Broker-Dealer. As registered representatives of Cadaret, these individuals are permitted to receive commissions on securities transactions.

To the extent that clients wish one or more of these individuals to implement any recommendations made by ARS, the purchase or sale of any securities in conjunction with the implementation of such recommendations is made through Cadaret. Clients are free, however, to implement ARS's recommendations through any broker dealer that they choose. The receipt of commissions for recommended products could represent an incentive for these individuals to recommend products that pay a commission over other products, therefore creating a conflict of interest. Additionally, if a client implements the recommendation through these individuals, the client may be limited to those products or services available through Cadaret.

Commissions earned may be higher or lower at Cadaret than other broker-dealers. Notwithstanding the fact that these individuals are registered representatives of Cadaret, each investment advisor representative of ARS is solely responsible for the investment advice rendered. ARS's advisory services are provided separately and independently of Cadaret.

### Insurance Agents

Certain investment adviser representatives associated with ARS, in their individual capacities, are also licensed insurance agents with various insurance companies, and in such capacity, may recommend the purchase of certain insurance products. ARS permits these investment adviser representatives, in their individual capacities as licensed insurance agents and sub-licensees, to sell insurance products to its investment advisory and financial planning clients.

A conflict of interest exists to the extent that ARS recommends the purchase of insurance products where individuals associated with ARS receive insurance commissions or other additional compensation.

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

---

### Code of Ethics

ARS has adopted a Code of Ethics to prevent violations of federal securities laws including the unlawful use of what are commonly called "inside information". The Code of Ethics is predicated on the principle that ARS and its employees owe a fiduciary duty to its clients. Accordingly, ARS expects all employees to act with honesty, integrity, and professionalism and to adhere to federal securities laws. ARS and its employees are required to adhere to the Code of Ethics. At all times, ARS and its employees must (i) place client interests ahead of ARS's; (ii) engage in personal investing that is in full compliance with ARS's Code of Ethics; and (iii) avoid taking advantage of their position. In addition, the Code of Ethics requires that certain individuals report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings. Clients and prospective clients may request a copy of ARS's Code of Ethics by contacting Anthony Spatafore, President and Chief Compliance Officer of ARS, 516-932-7223.

Individuals associated with ARS that are Certified Financial Planners are also required to adhere to the CFP Code of Ethics. Clients and prospective clients may request a copy of CFP Code of Ethics by contacting Anthony Spatafore, President and Chief Compliance Officer of ARS Capital Advisors, Inc. at 516-932-7223.

## Participation or Interest in Client Transactions

*Individuals associated with ARS may affect securities transactions for compensation.*

Certain investment adviser representatives of ARS are also registered representatives of Cadaret Grant & Co., Inc. (“Cadaret”), a FINRA-Registered Broker-Dealer. To the extent that clients wish one or more of these individuals to implement any recommendations made by ARS, the purchase or sale of any securities in conjunction with the implementation of such recommendations is made through Cadaret. Clients are free, however, to implement ARS’s recommendations through any broker-dealer that they choose. The receipt of commissions for recommended products could represent an incentive for these individuals to recommend products that pay a commission over other products, therefore creating a conflict of interest. Additionally, if a client implements the recommendation through these individuals, the client may be limited to those products or services available through Cadaret.

*Individuals associated with ARS may buy, sell, or hold in their personal accounts the same securities that they recommend to clients.*

As this represents a conflict of interest, ARS has enacted certain policies and procedures to ensure that its client’s interests always come first. For example, unless specifically permitted in ARS’s Code of Ethics, no individual associated with ARS may make 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 ARS’s clients. This restriction extends to their immediate family (e.g., spouse, minor children, and adult living in the same household) as well.

In addition, when ARS is purchasing or considering for purchase any security on behalf of a client, no individual associated with ARS may make 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 ARS is selling or considering the sale of any security on behalf of a client, no individual associated with ARS may make a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers’ acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

## **Item 12 – Brokerage Practices**

---

### Broker Selection

Except as set forth below, ARS generally does not have the authority to determine the broker dealer to be used or the commission rates paid. ARS will generally recommend that clients utilize the brokerage and clearing services of Cadaret Grant & Co., Inc. (“Cadaret”).

ARS generally has discretion to affect over-the-counter (OTC) equity securities trades on behalf of its clients through Cadaret on an agency basis.



## Best Execution

Best execution has been defined by the SEC as the “execution of securities transactions for clients in such a manner that the client’s total cost or proceeds in each transaction is the most favorable under the circumstances.” The best execution responsibility applies to the circumstances of each particular transaction and an investment adviser must consider the full range and quality of a broker-dealer’s services, including, among other things, execution capability, commission rates, the value of any research, financial responsibility and responsiveness.

In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker/dealer’s services, including among others, the value of research provided, execution capability, commission rates, and responsiveness.

Consistent with the foregoing, while ARS will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions.

If the client requests ARS to arrange for the execution of securities brokerage transactions for the client’s account, ARS shall direct such transactions through broker-dealers that ARS reasonably believes will provide best execution. ARS shall periodically and systematically review its policies and procedures regarding recommending broker-dealers to its client in light of its duty to obtain best execution.

## Broker Analysis

ARS evaluates a wide range of criteria in seeking the most favorable price and market for the execution of transactions. These include the broker-dealer’s trading costs, efficiency of execution and error resolution, financial strength and stability, capability, positioning and distribution capabilities, information in regard to the availability of securities, trading patterns, statistical or factual information, opinion pertaining to trading and prior performance in serving ARS.

Also in consideration is such broker-dealers’ provision or payment of the costs of research and other investment management-related services (the provisional payment of such costs by brokers are referred to as payment made by “soft dollars”, as further discussed in the “Research/Soft Dollars Benefits” section immediately below). Accordingly, if ARS determines in good faith that the amount of trading costs charged by a broker-dealer is reasonable in relation to the value of the brokerage and research or investment management-related services provided by such broker, the client may pay trading costs to such broker in an amount greater than the amount another broker might charge.

ARS’s chief compliance officer is responsible for continuously monitoring and evaluation the performance and execution capabilities of brokers that transact orders for our client accounts to ensure consistent quality executions. In addition, ARS periodically reviews its transaction costs in light of current market circumstances and other relevant information.

## Research/Soft Dollar Benefits

### *Overview*

ARS's use of soft dollars is intended to comply with the requirements of Section 28(e) of the Securities Exchange Act of 1934. Section 28(e) provides a "safe harbor" for investment managers who use commissions or transaction fees paid by their advised accounts to obtain investment research services that provide lawful and appropriate assistance to the manager in performing investment decision-making responsibilities. As required by Section 28(e), ARS will make a good faith determination that the amount of commission or other fees paid is reasonable in relation to the value of the brokerage and research services provided.

That is, before placing orders with a particular broker, ARS will generally determine, considering all the factors described below, that the compensation to be paid to the broker is reasonable in relation to the value of all the brokerage and research products and services provided by the broker. In making this determination, ARS will typically consider not only the particular transaction or transactions, and not only the value of brokerage and research services and products to a particular client, but also the value of those services and products in ARS's performance of its overall responsibilities to all of its clients. In some cases, the commissions or other transaction fees charged by a particular broker-dealer for a particular transaction or set of transactions may be greater than the amounts another broker-dealer who did not provide research services or products might charge.

### *Research and Brokerage Products and Services*

"Research" products and services ARS may receive from broker-dealers may include economic surveys, data, and analyses; financial publications; recommendations or other information about particular companies and industries (through research reports and otherwise); and other products or services (e.g., computer services and equipment, including hardware, software, and data bases) that provide lawful and appropriate assistance to ARS in the performance of its investment decision-making responsibilities. Consistent with Section 28(e), brokerage products and services (beyond traditional execution services) consist primarily of computer services and software that permit ARS to effect securities transactions and perform functions incidental to transaction execution. ARS generally uses such products and services in the conduct of its investment decision-making generally, not just for those accounts whose commissions may be considered to have been used to pay for the products or services.

### *Other Uses and Products*

ARS may use some products or services not only as "research" and as brokerage (i.e., to assist in making investment decisions for clients or to perform functions incidental to transaction execution) but for administrative and other purposes as well. In these instances, ARS will make a reasonable allocation of the cost of the products and services so that only the portion of the cost that is attributable making investment decisions and executing transactions is paid with commission dollars and ARS bears the cost of the balance. ARS's interest in making such an allocation differs from clients' interest, in that ARS has an incentive to designate as much as possible of the cost as research and brokerage in order to minimize the portion that ARS must pay directly.

### *Mutual Fund Transactions*

Although shares of no-load mutual funds can be purchased and redeemed without payment of transactions fees, ARS may, consistent with its duty of best execution, determine to cause client accounts to pay transaction fees that may be higher than those obtainable from other broker-dealers



when purchasing shares of certain no-load mutual funds in order to obtain “research”. This research may not be used for the exclusive benefit of the clients who pay transaction fees in purchasing mutual fund shares.

#### *Cadaret Grant & Co., Inc.*

As discussed in the section entitled “Other Financial Industry Activities and Affiliations” in this disclosure brochure, certain investment adviser representatives affiliated with ARS are, in their respective individual capacities, registered representatives of Cadaret Grant & Co., Inc. (“Cadaret”). These individuals are subject to FINRA Rule 3040 which restricts registered representatives from conducting securities transactions away from their broker dealer unless Cadaret provides written consent.

Clients should be aware that Cadaret provides ARS with research reports and conducts due diligence investigations particularly with respect to securities issued by investment partnerships. The commissions charged by Cadaret are competitive with similarly situated full-service retail broker-dealers offering the same variety of securities to clients. Clients are advised, however, that they may be able to effect transactions in securities through other broker-dealers at lower commission rates, particularly with respect to securities listed on a national securities exchange or in the over-the-counter market.

Clients should be aware that research obtained through Cadaret is used to service all of ARS’s clients. This is true whether or not they pay for financial planning by the hour or by paying commissions on transactions in securities affected by an ARS investment adviser representative in their capacity as a registered representative of Cadaret.

#### Directed Brokerage

##### ARS Directed Brokerage

ARS typically does not have the discretionary authority to determine the broker dealer to be used. Clients in need of brokerage and custodial services will have Cadaret Grant & Co., Inc.

Not all investment advisers require their clients to direct brokerage. By directing brokerage, ARS may not be able to achieve most favorable execution of client transactions and that this practice may cost clients more money.

##### Client Directed Brokerage

Certain clients may direct ARS to use particular brokers for executing transactions in their accounts. With regard to client directed brokerage, ARS is required to disclose that ARS may be unable to negotiate commissions, block or batch orders or otherwise achieve the benefits described above, including best execution. Directed brokerage commission rates may be higher than the rates ARS might pay for transactions in non-directed accounts. Therefore, directing brokerage may cost clients more money.

ARS reserves the right to decline acceptance of any client account that directs the use of a broker dealer other than Cadaret, if ARS believes that the broker dealer would adversely affect its fiduciary duty to the client and/or ability to effectively service the client portfolio.

As a general rule, ARS encourages each client to compare the possible costs or disadvantages of directed brokerage against the value of custodial or other services provided by the broker to the client in exchange for the directed brokerage designation.

### Trade Aggregation/Allocation

#### Investment Management

It is the objective of ARS to provide a means of allocating trading and investment opportunities between advisory clients on a fair and equitable basis and in compliance with all applicable state and federal guidelines. With respect to clients' accounts with substantially similar investment objectives and policies, ARS may often seek to purchase or sell a particular security in each account. ARS will aggregate orders only when such aggregation is consistent with ARS's duty to seek best execution and is consistent with the investment objective of each client. No client account will be unfairly favored over any other account. Each client that participates in an aggregated order will participate based on the average execution price in that particular security. All transaction costs will be allocated pro rata based on each client's participation in the transaction. All securities purchased or sold, whether the order is filled completely or partially, will then be allocated pro rata based on the assets of each account.

#### Financial Planning

ARS's financial planning practice, due to the nature of its business and client needs, does not include blocking trades, negotiating commissions with broker dealers or obtaining volume discounts, nor necessarily obtaining the best price.

### Trade Errors

Trade errors are promptly reported to the custodian and will be rectified by the custodian with no adverse financial effect on the client.

## **Item 13 – Review of Accounts**

---

### Reviews

For those clients to whom ARS provides investment management services, ARS monitors those portfolios as part of an ongoing process. Reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment. Anthony Spatafore, President and Chief Compliance Officer of ARS, periodically reviews financial plans and the investment results of each client.

All investment advisory clients are encouraged to discuss their needs, goals, and objectives with ARS and to keep ARS informed of any changes thereto. ARS 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.

### Reports

Clients are provided with transaction confirmation notices and summary account statements at least quarterly directly from the broker-dealer or custodian for the client's accounts. ARS prepares reviews and meets with client regularly to discuss the content of such reviews.

## Item 14 – Client Referrals and Other Compensation

---

ARS does not receive any economic benefits (e.g., sales incentives, prizes) from non-clients for providing investment advice. ARS does not compensate any person for client referrals.

## Item 15 – Custody

---

Custody of client assets will be maintained with the independent custodian selected by the client. ARS will not have physical custody of any assets in the client's account except as permitted for payment of advisory fees. Clients will be solely responsible for paying all fees or charges of the custodian. Clients will authorize ARS to give the custodian instructions for the purchase, sale, conversion, redemption, exchange or retention of any security, cash or cash equivalent or other investment for the client's account.

Clients will receive directly from the custodian at least quarterly a statement showing all transactions occurring in the client's account during the period covered by the account statement, and the funds, securities and other property in the client's account at the end of the period. Clients are urged to carefully review the account statement sent by the broker-dealer/custodian and to compare the account statement provided by the broker-dealer/custodian with any statements provided by ARS.

## Item 16 – Investment Discretion

---

For those client accounts over which ARS has discretion, ARS requests that it be provided with written authority (e.g., limited power of attorney contained in ARS's Investment Management Agreement) to determine the amounts of securities that are bought or sold. Any limitations on this discretionary authority shall be included in this written authority statement. Clients may change or amend these limitations as required. All such amendments shall be submitted in writing.

ARS generally has discretionary authority to make the following determinations without obtaining the consent of the client before the transactions are affected:

- (1) which securities are bought and sold for the account and
- (2) the total amount of securities to be bought and sold. ARS's authority in making investment related decisions may be limited by account guidelines, investment objectives and trading restrictions, as agreed between ARS and the client.

## Item 17 – Voting Client Securities

---

### Proxy Voting

ARS does not vote proxies on behalf of its clients. Therefore, the client that maintains exclusive responsibility for:

- (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted and
- (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceeding or other type events pertaining to the client's investment assets.

ARS and/or the client shall correspondingly instruct each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets. Clients can contact Anthony Spatafore, President and Chief Compliance Officer of ARS, 516-932-7223 if they have questions regarding a particular solicitation.

### Class Action Settlements

Although ARS may have discretion over client accounts, it will not be responsible for handling client claims in class action lawsuits or similar settlements involving securities owned by the client. Clients will receive the paperwork for such claims directly from their account custodians. Each client should verify with their custodian or other account administrator whether such claims are being made on the client's behalf by the custodian or if the client is expected to file such claims directly.

## Item 18 – Financial Information

---

### Prepayment of Fees

Because ARS does not require or accept prepayment of more than \$1,200 in fees six months or more in advance, ARS is not required to include a balance sheet with this disclosure brochure.

### Financial Condition

ARS does not have any adverse financial conditions to disclose.

### Bankruptcy

ARS has never been the subject of a bankruptcy petition.