

**Item 1. Cover Page**

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**1/29/2021**

**FORM ADV PART 2  
BROCHURE**

**This brochure provides information about the qualifications and business practices of Benemark, Inc., (hereinafter referred to as “Benemark”, “Firm”, “Us”, or “Advisor”). If you have any questions about the contents of this brochure, please contact us at (203) 222-3575 or at [gpadilla@benemark.com](mailto:gpadilla@benemark.com). 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 Benemark is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Benemark is CRD 126735.**

**Benemark 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.**

## **Item 2. Summary of Material Changes**

Benemark is required to notify you of any material change to the Firm Brochure from our last annual updated amendment which was filed on April 24, 2020:

Item 5: "Fees and Compensation" was amended to disclose that for new investment advisory accounts, the following fee schedule will apply:

Total value of investment holdings is < or = to \$1,000,000 – annual fee is 1%.

Total value of investment holdings is > \$1,000,000 – annual fee is negotiable between Advisor and client.

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## ***Advisory Business***

### **Item 4**

- A. Benemark is an independent SEC registered investment adviser. Our business was incorporated on August 4, 1995. We have been registered as an investment adviser since 2003. Our two principal owners are Gregg G. Padilla, CFP® and Robert A. Medvey, CFP®, CPWA®. (hereinafter referred to as “Advisor” or “Principal Owners”) Both share equally in the ownership of the business.
- B. Benemark offers two services to clients: Financial Planning and Investment Advisory Services.

Our financial planning service covers a detailed level of financial advice which encompasses six areas : Budgeting/Cash Flow, Retirement Planning, Investment Planning, Estate Planning, Tax Planning around investments (not tax preparation of returns) and Risk Management (review of Life, Disability, Auto, Home, and Long-Term Care Insurance). As part of the financial planning service, our Advisors thoroughly review the client’s financial situation and provide advice throughout the financial planning process.

Our investment advisory service covers a detailed level of investment advice, which includes, but is not limited to: analysis of existing investments, assessment of risk tolerance, development of a custom asset allocation model, investment related tax advice, and ongoing monitoring of accounts.

- C. Benemark provides investment advice on the following types of investments, which includes, but is not limited to, the following investments: Exchange Traded Funds, Exchange Traded Notes, Mutual Funds, Exchange Listed Stocks, Bonds, Money Markets, Certificate of Deposits, Variable Annuities, Options on Securities, Real Estate and Oil and Gas partnerships, US Government Securities, Private Equity, Municipal Securities, and Corporate Bonds.
- D. Our financial planning service is structured to fit the needs of each individual client. This service generally follows a five-step process. Step 1: we “Discover” the client’s primary goals and objectives through a series of discussions between the Advisor and client. Step 2: we “Assess” and outline the client’s risks and specific financial goals and gather financial

#### Item 4 Continued

information through the completion of a questionnaire. Step 3: we “Evaluate” various financial strategies that are aimed at helping the client meet their financial goals. Step 4: we “Implement” custom strategies designed to achieve the client’s goals. Step 5: we “Monitor” the financial plan and provide ongoing advice as needed.

- E. Our investment advisory service provides for continuous supervisory investment management of a client’s portfolio(s). Each client will receive a custom investment model that is developed, managed, and monitored by the Advisor. In order to develop the investment model, Advisor must first understand the following: reason for investing, tolerance for risk, current and future tax situation, and time horizon for investment. The process typically involves multiple discussions with the client along with the completion of a risk assessment questionnaire. The investment model ultimately developed will factor in the appropriate constraints mentioned herein and any other reasonable restrictions the client wishes to assign as to the types of investments that may be held in the portfolio. The client always has the final say as to what products or securities make up the investment model, both initially and when rebalancing their portfolios. However, the product or securities decided upon must be one in which the Advisor provides advice on, as referenced on page 1, Item 4C.
- F. Benemark does not participate in any wrap fee programs.

As of January 29, 2021, Benemark manages \$221,622,902 on a non-discretionary basis. We do not manage funds on a discretionary basis.

## ***Fees and Compensation***

### **Item 5**

Benemark is compensated for Advisory services in two ways:

1. Financial Planning – The annual fee is \$5,000 and is negotiable above this amount as determined by the client and Advisor. The annual fee will depend, in part, on the level of services needed by the client and the overall complexity of their financial situation. The annual fee will encompass continuous financial advice throughout the term of the agreement. Financial planning services begin on the date of the agreement and unless terminated in accordance with the terms noted below, will end one year from the date of the agreement. The Advisor or the client may terminate the financial planning agreement at any time on thirty (30) days prior notice. Notice shall be in writing and delivered to the appropriate party's last known address. Upon the death of either party, the agreement shall automatically terminate. Such fees as have been earned by the Advisor shall be paid within fifteen (15) days of the termination date of the agreement. Unearned prepaid fees shall be refunded to the client upon termination for any reason.
2. Investment Advisory - Our advisory fee is typically charged as a percentage (basis points) of the total market value of client's holdings in their custody account. The valuation used for purposes of calculation of advisory fees is based on the client's unaccrued holdings as listed on the investment custodian's quarterly statements. (Example: 1% equals 100 basis points, .75 equals 75 basis points). In some cases, for legacy clients, a fixed fee has been negotiated, as opposed to a percentage.

## Item 5 Continued

Our advisory fees range between 35 basis points and 1% for accounts that are charged a percentage of the total value of a client's holdings in their custody account. Typically, a new client can expect to pay the following fees:

Total value of investment holdings is  $\leq$  to \$1,000,000 – annual fee is 1%.

Total value of investment holdings is  $>$  \$1,000,000 – annual fee is negotiable between Advisor and client.

Whether the client is charged a fixed fee or a fee expressed as a percentage of the total value of their holdings, the client authorizes the Advisor to debit the advisory fee directly from the client's custody account. The deduction will occur quarterly in arrears, based on a calendar year quarter, i.e., April 1, July 1. Client, and or Advisor, may terminate the agreement by providing 30-day written notice as provided for in the investment advisory agreement.

Financial Planning – Advisor will deliver an invoice to the client once the first draft of the financial plan is delivered and reviewed with the client. The annual fee shall be due and payable within 30 days upon client's receipt of the invoice.

Benemark does not charge clients in advance for financial planning or investment advisory services.

3. Advisor utilizes three investment custodians: National Financial Services, LLC and Fidelity Brokerage Services, LLC (collectively and together with all affiliates, "Fidelity"), SEI Investment Management Corp. ("SEI"), and Charles Schwab & Company ("Schwab"). Clients are responsible for paying the full cost of the expense ratios associated with their investment in any mutual fund or exchange traded fund (ETF). Expense ratios are assessed directly by the investment company (e.g., Vanguard, iShares, Fidelity, etc.). In addition, the client must pay the full cost of executing trades (e.g., commissions or regulatory fees). Commissions,

## Item 5 Continued

fees and transaction costs are assessed directly by each investment custodian and the charges may be slightly different from one custodian to another. Each investment custodian has their own schedule of fees that can change from time to time. Fee schedules are available upon request by the client. Advisor receives no remuneration from any investment custodian as pertains to the cost associated with executing trades. Charges incurred by the client, as described herein, are in addition to the investment advisory fee charged by Advisor. Clients have the option to purchase any of the investment products that Advisor recommends through any other broker or agent not recommended by us. However, if the client chooses to do so, Advisor will not be involved in the implementation or servicing of the client's account in any way.

a). Benemark maintains a relationship with SEI Investment Management Corp. in connection with the sale of SEI mutual funds for certain legacy trust accounts. ***See Item 10, Other Financial Industry Activities and Affiliations*** for a description of the nature of this relationship and corresponding conflict of interest and mitigation disclosures.



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

**Item 6**

Benemark does not accept any performance-based fees for any client accounts we manage.

### ***Types of Clients***

#### **Item 7**

Benemark's clients consist of individuals and trusts. We have no investment minimum to open or maintain an investment account.

**Item 8**

- A. Benemark manages diversified, multi-asset portfolios that may include individual equity securities, exchange traded funds and mutual funds with a focus on maintaining a proper asset allocation that aligns with each client's life cycle, stated goals, and overall financial situation. Advisor utilizes both passive and active management strategies in the development of an asset allocation model. Advisor will develop a custom model for each client that is unique to their personal set of circumstances. Investing involves the risk of loss that clients should be prepared to assume. A passive investment strategy is defined as "an investment strategy that does not include active buying and selling of securities." Investors who subscribe to using a passive investment strategy typically do so with the intention of seeking long-term appreciation and thus have limited portfolio turnover. Index fund investing, in which shares in the fund simply mirror an index, is a form of passive investing. An active management strategy is defined as "the use of a human element, such as a single manager, co-managers or a team of managers, to actively manage a fund's portfolio." Active managers rely on analytical research, forecasts, and their own judgment and experience in making investment decisions as to which securities to buy, hold and sell.
- B. Passive and active management involve the risk of loss of principal. Each strategy provides the framework for the Advisor to develop an asset allocation model sufficient to meet the client's goals and objectives. Each strategy involves limited trading once the initial allocation model is implemented. Additional trading will be done based on rebalancing or a change in objectives as determined by both the Advisor and client.
- C. Passive and active management strategies contain exchange traded funds and mutual funds for which the Advisor uses to develop the investment portfolio. Advisor may use any of the investment products mentioned on page 1, in Item 4C of this brochure to develop the portfolio. Each investment involves the risk of loss in principal and investments returns are not guaranteed.

### ***Disciplinary Information***

#### **Item 9**

Benemark, along with the principal owners have no legal or disciplinary events to disclose.

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

#### **Item 10**

Benemark has a relationship with SEI Investment Management Corp. in which we receive compensation based on the sale of SEI Investment Mutual Funds for a small number of legacy trust accounts that we manage on SEI's platform. This arrangement represents a conflict of interest to only those clients because Benemark has an incentive to invest clients in SEI funds based on our interest in receiving additional compensation rather than on our clients' best interest to receive the lowest cost funds available. We have addressed this conflict by discontinuing this arrangement with SEI.

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

Item 11

- A. Ethical conduct is the hallmark of our profession. This is especially true in the financial services industry. Since investment advisers function as a fiduciary, they are subject to extensive regulation. However, the laws and regulations provide only the basis or foundation for proper conduct. Professional conduct is defined not only by reference to regulatory dictates, but rather by moral and ethical standards. Advisor has a duty of utmost good faith to act solely in the best interests of each of our clients. Our clients entrust us with their money, which in turn places a high standard on our conduct and integrity. Our fiduciary duty compels all employees to act with the utmost integrity. Clients do business when they trust their Advisor. They trust their Advisor when they believe he/she is listening to their needs and takes this information at heart when making recommendations. Each employee of the Advisor must be convinced that his/her self-interest is best served by placing the customer's interests first and foremost. This is in the highest and best tradition of fiduciary conduct, a tradition which Benemark expects its principal owners and employees to uphold.
- B. Pursuant to SEC Rule 204 A -1, Benemark will provide a copy of our code of ethics to any client or prospective client upon request.
- C. Benemark and its employees may, from time to time, trade the same securities that we recommend to clients, which can create a conflict with the interests to our clients. However, we mitigate this conflict based on our adopted code of ethics procedures to make certain that we trade securities in the best interest of the client. Example: upon Advisors recommendation that a client buy or sell a security where the Advisor or its employees wish to engage in the same transaction, Advisor makes certain that the client purchases or sells the security first.

## **Brokerage Practices**

### **Item 12**

Advisor has selected National Financial Services, LLC and Fidelity Brokerage Services, LLC (collectively, and together with all affiliates, "Fidelity") and Charles Schwab & Co., Inc. ("Schwab") as our recommended investment custodians who are registered broker-dealers. The Advisor also has an agreement in place with SEI Investments where a small number of legacy trust accounts remain. Our firm has no plans to add any new investment accounts to the SEI platform. Fidelity and Schwab provide Advisor with "institutional wealth platform services." The institutional wealth platform services include, among others, brokerage, custody, and other related services. Fidelity and Schwab's institutional wealth platform services assist Advisor in managing and administering client accounts and include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of fees from its client accounts; and (v) assist with back-office functions, recordkeeping, and client reporting. Fidelity and Schwab also offer other services intended to help Advisor manage and further develop its advisory practice. Such services include, but are not limited to, financial planning software, contact management systems, third party research, publications, access to educational conferences, roundtables and webinars, practice management resources, access to consultants and other third-party service providers who provide a wide array of business services and technology with whom Advisor may contract directly.

Benemark is independently owned and is not affiliated with either Fidelity, Schwab, SEI Investments, or any of their affiliates.

Fidelity and Schwab are compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through their trading platform that settle into Fidelity or Schwab accounts (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity and Schwab provide access to many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges.

## Item 12 Continued

Advisor receives basic research data from Schwab and Fidelity that are made part of the regular trading platform used to facilitate client transactions. No other products or services other than execution from a broker-dealer or third party in connection with client securities transactions are provided to Advisor.

Advisor may receive certain services that benefit our business in general, rather than benefit specific clients. As part of our relationship with Fidelity, they have paid in the past, and may in the future, a portion of the cost for client appreciation events or educational seminars. These potential benefits present a conflict of interest to Advisor and may provide an incentive for Advisor to recommend clients custody their assets with Fidelity, as opposed to other custodians that do not provide such benefits.

Advisor does not have any control over the cost of commissions, markups, markdowns or fees charged for executing securities by Fidelity, Schwab, or SEI.

Advisor has not received any soft dollar benefits of any kind and does not intend to do so in the future. In addition, Advisor does not receive any client referrals from the broker dealer/investment custodian.

- a. Advisor requires clients to execute their securities transactions through either Fidelity or Schwab and the client may choose either custodian to open their investment account(s). Not all Advisors require their clients to direct brokerage. When directing brokerage, clients may be unable to achieve the most favorable execution of their transactions and this practice may cost clients more money. In order for Advisor to execute securities transactions, the client's account(s) must be located at Fidelity or Schwab, and the client must appoint the Advisor with authority to place orders with brokers for the execution of transactions. Advisor will not offer or assist the client in any way, with any transaction at a broker-dealer or investment custodian other than Fidelity or Schwab. If a client wishes to transact securities at a broker-dealer/investment custodian other than Fidelity or Schwab, then the client may not open an investment account with Advisor. The client



## Item 12 Continued

understands that Fidelity and Schwab, while competitive for executing transactions, may not result in the most favorable execution.

- b. Advisor will attempt to aggregate trades for client accounts whenever Advisor buys or sells the same security across multiple client accounts. Advisor attempts to reasonably ensure the most favorable execution of price and fairness of execution for each client, so that no client receives a better or worse price upon execution while trading in the same security on a given day.

## ***Review of Accounts***

### **Item 13**

- A. Gregg G. Padilla, CFP®, and Robert A. Medvey, CFP®, CPWA® (Advisors), have certain accounts they are responsible to manage. Reviews are done periodically based on the needs of each individual client as determined by the Advisor and the client. In addition, routine reviews occur throughout the day by both Advisors who scan accounts for errors, cash flow activity, and for general administrative purposes. Each client will receive no less than one annual review of their investment account(s). However, it is customary for each Advisor to provide more frequent reviews as are necessary and determined by the Advisor and the client. There is no set frequency to reviews, other than a required annual review. During any investment review, Advisor and client discuss the investment allocation to see if it still matches the desired level of risk and if any other factors have changed since the last review which might call for a change in the investment allocation. Advisor may rebalance the client's portfolio to reflect any changes as agreed upon by Advisor and client. Approximately one month before the financial planning agreement is set to expire, the Advisor will contact the client to discuss their interest in renewing the agreement. If renewal is agreed to, a renewal contract will be sent to the client. Clients who have chosen to renew a financial planning agreement will receive a review no less frequently than once per year. The review may consist of, but is not limited to, a revised retirement projection, updated cash flow analysis, review of insurance needs, or a general overall financial checkup. The client is expected to cooperate with the Advisor by providing information as requested by the Advisor so that the plan can be updated. All financial planning agreements are limited to a term of one fiscal year that begins on the date of the agreement.
- B. Advisor may choose to review an account or financial plan should a change in circumstances occur. Example: termination from employment, divorce, separation, early retirement, medical reasons, etc.

## Item 13 Continued

C. Clients receive monthly investment statements that are prepared and delivered by each qualified investment custodian that the Advisor utilizes. In addition, Advisor has subscribed to the use of Black Diamond's portfolio management and reporting software. Black Diamond is not affiliated with Advisor in any way. It is possible that data contained in the reports produced from Black Diamond's software may be different from the data contained on the investment statement produced by the qualified investment custodian. In such a situation, clients should rely on the investment statement provided from the qualified investment custodian as being the most accurate record of the holdings in their investment account(s). Performance reports attempt to display performance net of any advisory fees. Clients who maintain an account at Fidelity or Schwab may receive a quarterly performance report from the Advisor no later than the first month after the close of a calendar year quarter (example: reports for the 1st quarter are delivered by the end of April). For clients who maintain an account at SEI, quarterly reports are prepared and distributed directly by SEI during the 1st month after the close of a calendar year quarter. In all instances, clients can choose to receive statements and any quarterly performance reports via mail or electronic delivery (so long as the appropriate written authorization is made by the client to the Advisor).

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

#### **Item 14**

- A. Benemark receives no economic benefit from any source other than the clients we serve and have agreements with. Our clients account for 90% of the referrals we receive to new prospective clients. The remaining 10% of our referrals come from CPA's, Attorneys, and other Investment Advisers. We do not compensate any of these individuals or entities for the referrals we receive.
- B. Benemark does not directly or indirectly compensate any other individual or entity for client referrals.

## ***Custody***

### **Item 15**

Benemark is deemed to have custody of client's investment account(s) based on the sole fact that the client authorizes Advisor to deduct advisory fees directly from client's investment account(s) that are held at Fidelity or Schwab. SEI Investments automatically deducts advisory fees from the client's investment account(s). Benemark does not maintain physical custody of client assets. All clients receive monthly statements directly from SEI, Fidelity and Schwab. Clients should carefully review those statements for accuracy. Clients who maintain accounts at Fidelity or Schwab may also receive quarterly performance reports provided by Advisor, which are delivered either electronically or via regular mail. It is highly recommended that clients compare the account statements provided by the Advisor with the statements they receive from the qualified investment custodian. In all cases, the statements they receive from the qualified investment custodian will be considered as being the most accurate for financial reporting purposes.

### ***Investment Discretion***

#### **Item 16**

Benemark does not accept discretionary authority to manage securities accounts on behalf of clients.

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

#### **Item 17**

- A. Benemark does not accept the authority to vote clients securities. Clients may request a copy of our proxy voting policy and procedures upon request.
- B. Clients will receive their proxies or other solicitations directly from the custodian or a transfer agent. Clients will be responsible to vote securities themselves, should they so desire to do so. Clients may contact us by phone or email with questions on voting proxies or any other investment issues.

***Financial Information***

**Item 18**

- A. Benemark does not solicit prepayment of more than \$1,200 in fees per client, 6 months or more in advance.