

# **Hazard & Siegel Advisory Services LLC**

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## **Firm Brochure (Part 2A of Form ADV)**

### **Item 1**

This brochure provides information about the qualifications and business practices of Hazard & Siegel Advisory Services LLC. If you have any questions about the content of this brochure, please contact us at (315) 414-0722 or by email at [dmullen@hazardsiegel.com](mailto:dmullen@hazardsiegel.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Hazard & Siegel Advisory Services LLC is an investment advisory firm registered with the SEC. References to its SEC registration, however, do not imply any level of skill, training or approval by the SEC. Oral and/or written communications of an advisor are intended to provide you with information with which you can determine to hire or retain that advisor.

Additional information about Hazard & Siegel Advisory Services LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**April 1, 2021**

## **Item 2 - Material Changes**

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### **Annual Update**

As required by Securities and Exchange Commission (SEC) regulations, this Firm Disclosure Document for Hazard & Siegel Advisory Services LLC is subject to ongoing review by the Firm's management. This Material Changes section of the brochure is updated at least annually, or more frequently, if/when material changes have occurred since the previous release of the Firm's Disclosure Document. In the event there have been material changes, clients of Hazard & Siegel Advisory Services LLC will receive a copy of this Material Changes page which reflects those noteworthy changes.

### **Material Changes Since the Last Update**

The Hazard & Siegel Advisory Services LLC Disclosure Document and Brochure Supplement has been reviewed by Firm management in accordance with SEC requirements. As determined by that review, no Material Changes have been noted since its last amended submission in May 2020. In the event that significant changes should occur prior to its next annual review, Hazard & Siegel Advisory Services will forward to its clients copies of this Material Changes section outlining those changes specifically.

### **Full Brochure Available**

The Hazard & Siegel Advisory Services LLC Firm Brochure, which is comprised of Form ADV Part 2A, Part 2B Brochure Supplements and Part 3 (Client Relationship Summary or Form CRS), is available at no charge anytime upon request. Our Forms 2A and 2B outlining the history and qualifications of our Firm and its advisors, respectively, are offered as separate free-standing documents, with Part 3 provided along with our Form 2A. If you would like to receive a copy of our complete Firm Brochure and Brochure Supplements, please contact us by telephone at (315) 414-0722 or by email at [dmullen@hazardsiegel.com](mailto:dmullen@hazardsiegel.com).

## Item 3 - Table of Contents

### Item 1 – Cover Page

### Item 2 – Material Changes

Annual Update.....i

Material Changes Since Last Update.....i

Full Brochure Available.....i

### Item 3 - Table of Contents.....1

### Item 4 - Advisory Business.....4

Firm Description.....4

Principal Owners.....5

Types of Advisory Services.....5

Tailored Relationships.....6

Other Programs and Services.....6

Fee-Based Financial Planning.....7

Other “Fee for Service” Agreements.....8

Investment Restrictions/Non-Managed Assets.....8

Managed Assets.....8

### Item 5 - Fees and Compensation.....8

Description of Fees.....8

Third-party Money Managers.....8

Hourly and Flat Fees.....8

Other "Fee for Service" Arrangements.....8

Other Fees.....9

Fee Billing.....9

Past Due Accounts and Termination of Agreements.....9

### Item 6 - Performance-Based Fees.....10

Performance-Based Fees.....10

### Item 7 - Types of Clients.....10

Description.....10

Account Minimums.....10

Types of Investments.....10

### Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss.....11

|   |           |
|---|-----------|
| Methods of Analysis.....  | 11        |
| Investment Strategies.....  | 11        |
| Risk of Loss.....   | 11        |
| <b>Item 9 - Disciplinary Information.....</b>   | <b>12</b> |
| Legal and Disciplinary.....   | 12        |
| <b>Item 10 - Other Financial Industry Activities and Affiliations.....</b>                                  | <b>13</b> |
| Financial Industry Activities.....  | 13        |
| Affiliations.....   | 14        |
| Outside Business Activities.....  | 14        |
| <b>Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....</b> | <b>14</b> |
| Educational Standards.....  | 14        |
| Code of Ethics.....   | 15        |
| Conflicts of Interest.....  | 16        |
| Participation or Interest in Client Transactions.....   | 16        |
| Personal Trading.....   | 17        |
| <b>Item 12 - Brokerage Practices.....</b>   | <b>17</b> |
| Selecting Brokerage Firms.....  | 17        |
| Best Execution.....   | 17        |
| Soft Dollars.....   | 18        |
| Order Aggregation.....  | 19        |
| <b>Item 13 - Review of Accounts.....</b>  | <b>19</b> |
| Periodic Reviews.....   | 19        |
| Review Triggers.....  | 19        |
| Regular Reports.....  | 20        |
| <b>Item 14 - Client Referrals and Other Compensation.....</b>   | <b>20</b> |
| Incoming Referrals.....   | 20        |
| Referrals Out to Other Professionals.....   | 20        |
| Other Compensation.....   | 20        |
| <b>Item 15 - Custody.....</b>   | <b>20</b> |
| Account Statements.....   | 20        |
| Performance Reports.....  | 20        |
| <b>Item 16 - Investment Discretion.....</b>   | <b>21</b> |
| Discretionary Authority for Trading.....  | 21        |
| Limited Power of Attorney.....  | 21        |

|  |           |
|--|-----------|
| <b>Item 17 - Voting Client Securities.....</b> | <b>21</b> |
| Proxy Votes.....                               | 21        |
| <b>Item 18 - Financial Information.....</b>    | <b>21</b> |
| Financial Condition.....                       | 21        |

## Item 4 - Advisory Business

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### Firm Description

Hazard & Siegel Advisory Services LLC, hereinafter referred to as HSAS or the Firm, was founded in 2003 by David M. Mullen and Alexander S. “Lex” Joseph Jr. with its headquarters located in DeWitt, New York. The Firm has been continually registered as an investment advisory firm with the Securities and Exchange Commission (SEC) since its inception.

The Firm is comprised of a network of independent contractors that function as either Investment Advisor Representatives (IARs) of HSAS or as solicitors of the Firm. Their status is dependent upon the nature of their respective practice, the state(s) in which their business is to be conducted, the types of services to be provided and the Firm’s relationship with any third-party money managers and/or custodians to be utilized by them to manage client assets.

As of the most recent updating of the Firm’s registration filing with the SEC, HSAS has notice filed to conduct advisory business in the following states and is in compliance with their respective state registration requirements:

|          |               |         |                |
|----------|---------------|---------|----------------|
| New York | Pennsylvania  | Ohio    | North Carolina |
| Maryland | Virginia      | Florida | South Carolina |
| Texas    | Massachusetts |         |                |

Neither HSAS nor its third-party money managers accept or maintain custody of advisory client assets. All client assets are held with an independent custodian in the client’s name.

The Firm may, from time to time, recommend other professionals (e.g. attorneys, accountants, etc.) at the request of the client. While the Firm may do so as a service to its clients, the clients are under no obligation to engage the services of any individuals recommended. Clients make their decision to do so solely at their discretion and independent of their relationship with HSAS. Any potential conflicts of interest relative to such recommendations will be fully disclosed to the client at the time of the recommendation and managed in the best interest of the client.

Clients may place restrictions on the types of securities to be held within their advisory account portfolios. Should they elect to do so, such restrictions will be relayed to the respective money managers and monitored by the Firm.

HSAS, at this time, does not offer its clients any wrap fee programs. These programs charge a single comprehensive advisory fee for a management program that bundles together a suite of services, such as financial planning, brokerage services, advisory consultations, investment research and ongoing asset management.

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**Principal Owners**

The Firm is a privately held limited liability company whose principal owners are David Mullen and Lex Joseph whose ownership interests in the Firm are 10 % and 90%, respectively.

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**Types of Advisory Services**

While mainly a fee-based advisory firm, some advisors of HSAS are Registered Representatives of Hazard & Siegel, Inc., a FINRA-member securities broker/dealer, and retain the option of selling commission-based products such as annuities, insurance, stocks, bonds, exchange traded funds, mutual funds and limited partnerships within accounts held by that broker/dealer. Commission-based products, however, are generally not offered to the Firm's advisory clients or the individual participants within their qualified plans.

While the clients always maintain control of their assets, they may authorize HSAS' appointed asset managers to transact trades on their behalf, without prior consultation, within the constraints of specific investment models elected by the client. Otherwise, HSAS does not exercise discretionary authority over its clients' assets.

HSAS does not serve as a custodian of its clients' assets, opting instead to utilize the services of outside custodial firms. In general, the Firm delegates the active trading of client assets to third-party managers and cedes to each one the ability to select custodial platforms deemed by them to be most compatible with their systems in terms of economics, performance and trading efficiency. HSAS does, however, reserve the ability to approve or disapprove specific custodians. In limited circumstances, IARs of the Firm may engage in active trading on behalf of specific clients and in response to specific client requests.

The Firm primarily provides advisory services to clients in the capacity of a registered investment advisor to the clients. In this capacity, the Firm and its IARs offer advisory services and investment management programs to individuals, businesses, qualified pension and profit-sharing plans, individual retirement accounts, trusts and other entities, as outlined below. Dependent upon the services selected, clients may pay for the Firm's services based on a percentage (%) of assets under management, an hourly or fixed fee or commissions. In some situations, a combination of these fee options may be employed if advantageous to a client to do so. Additional charges, such as transaction costs and/or custodial fees may apply. Some outside investment services and/or third-party money manager programs engaged on behalf of clients may also assess additional fees per their own fee schedules. Full disclosure of all applicable fees, refund and termination provisions associated with utilizing HSAS' advisory services is made to each client upon engaging the Firm. Disclosure documents of both HSAS and outside service or asset management providers are provided to each client by their IAR either prior to or at the time the client executes service agreements with the respective entities.

When deemed appropriate by the IAR, clients may be directed to third-party asset managers to capitalize on specific portfolio options available only through those platforms. In these cases, HSAS and its IARs may serve in the capacity of solicitor for the third-party manager. As solicitor, IARs will provide service to the clients with asset management delegated to the third-party asset manager. HSAS is compensated in these relationships through the receipt of solicitor fees from the asset managers.

Services generally consist of providing investment advice to clients based upon their individual financial circumstances, objectives, time horizons and risk tolerances. A portion of the Firm's investment services provided to its clients involves conducting due diligence evaluations and selection of investment advisory programs and third-party asset managers that provide various investment management and/or allocation services. Prospective third-party asset manager platforms are subjected to an initial and annual due diligence review by the Firm's Investment Committee to ensure their investment strategies, performance and operational procedures are consistent with HSAS' asset management objectives.

IARs of the Firm typically take information provided by the client and combine this with their knowledge and industry experience to research, analyze and select appropriate advisory services for the client. The IAR may review a client's net worth, income, tax status, investments, investment history and other factors to reasonably determine the client's ability and desire to participate in the advisory service(s) proposed. After conducting this qualification analysis, the Firm may perform various administrative and clerical duties that allow the client to open an account.

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### **Tailored Relationships**

The goals and objectives for each client are documented within each client's respective file. Investment strategies are then created that reflect the stated goals and objectives of each client. As previously stated, clients may impose restrictions on investing in certain securities or types of securities.

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### **Other Programs and Services**

The Firm may, from time to time, make available other privately managed asset management accounts through registered or exempted investment advisors with whom the Firm enters into a solicitor relationship, as referenced above. The availability of these programs may be limited due to the specific needs of certain clients and/or the qualifying circumstances of a specific investment advisor. The fee structure, investment advisor, solicitor and/or advisory representative relationship, as applicable, will be fully disclosed in writing to each such client upon engaging HSAS' services.

The list of outside money manager programs for which HSAS currently serves as a solicitor is as follows:

|                              |                         |
|------------------------------|-------------------------|
| Absolute Capital             | Assetmark               |
| Bluewater Capital Management | ITS Asset Management    |
| Syntax Research              | Mariner Wealth Advisors |



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**Fee-Based Financial Planning**

The Firm, through its IARs, provides objective, generic advice to clients on matters that may not involve securities. In this respect, HSAS offers clients the ability to obtain fee-based financial planning services on an hourly or flat fee basis. Such fees are due and payable to the Firm either at the time a client enters into an agreement with the Firm and the IAR or upon a receipt of a written plan delivered to the client.

To minimize the potential for a conflict of interest, the financial plan created by the IAR may contain only generic recommendations as to the general types of investment and/or insurance products that may be appropriate for the client's financial position. In this process, the client is under no obligation to accept a recommendation or to implement a recommendation through the Firm and/or the Firm's IAR. Financial planning services offered by the Firm include estate planning, investment planning, retirement planning and business succession planning. In addition, the Firm and/or its IARs may occasionally present seminars concerning financial planning topics to groups of employees, associates, and the general public for a negotiated fee. IARs are also available for consultations on specific issues for which clients are charged on an hourly basis.

Clients should speak to the Firm's IAR for specific details. Financial information and goals are obtained from the clients after entering into a financial planning contract. The information is then reviewed and evaluated. Based on this evaluation, specific recommendations are presented to the client. The client is in no way obligated to accept or to act on said recommendations. The client may also choose to implement any recommendations with another advisor, if desired. Any recommendations that are implemented with the firm and/or a third-party money manager may entail additional fees. These would be fully disclosed and agreed upon prior to any implementation.

Fees charged are based on the specific planning services to be provided to the client and the complexity of the client's financial situation and goals. The Firm does not dictate a minimum or maximum fee – all fees are reviewed by the compliance staff to confirm the legitimacy of the fees agreed upon. Funds are paid by the client to the Firm.

After the first anniversary of their contract, the client may wish or the IAR may suggest that the contract and planning be reviewed in order to update the planning previously done. If the client chooses to renew their contract, current financial information relevant to the planning areas is obtained and evaluated and a written summary/update is provided to the client. A new negotiated fee may apply.

Clients have a right to rescind the financial planning agreement without penalty within five (5) business days of entering into such a contract.

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**Other “Fee for Service” Agreements**

The Firm will, from time to time, allow other “fee for service” arrangements. These are mostly done as a payment in lieu of commission. This is done primarily with two sets of clients – qualified plans and 529 College Savings Plans. These fee arrangements will be negotiated between the IAR and the client, put into a written agreement and approved by the Firm’s CCO before implementation. Fees are paid either by the client or by a fund custodian to the Firm.

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**Investment Restrictions/Non-Managed Assets**

Dependent upon the policies of the individual third-party money managers, clients may impose restrictions on investing in certain securities or types of securities. They may also, in some programs, allow the third-party money manager’s custodian to custody non-managed financial assets. Any fees associated with such custody arrangements will be fully disclosed.

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**Managed Assets**

As of December 31, 2020, the Firm managed approximately \$ 231,181,434 of assets in 237 client accounts. All advisory client assets are currently managed on a non-discretionary basis.

## **Item 5 - Fees and Compensation**

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**Description of Fees**

The Firm bases its fees on a percentage (%) of assets under management, hourly charges, fixed fees and commissions. All fees are fully disclosed and negotiable.

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**Third-Party Money Managers**

In the Firm’s asset management arrangements with third-party money managers, the client is charged a fully disclosed fee by their respective money manager. Depending upon contractual commitments between the Firm and a money manager, the collected fee may be split in a sharing arrangement between the money manager and HSAS. The Firm may then share its advisory fee with a solicitor responsible for acquisition of the client, if any, in keeping with the terms of a solicitor agreement between the solicitor and HSAS.

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**Hourly and Flat Fees**

These fees are payable to the Firm and billed directly to the client. The fee is then shared between the Firm and the IAR responsible for the account.

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**Other “Fee for Service” Billing Arrangements**

Normally advisory service fees are deducted directly from a client’s advisory accounts held with a custodian. Alternate fee collection arrangements, such as direct invoicing by the Firm to the client, may be implemented by request from either the client or the Firm. Implementation of such special billing arrangements may be done either through the custodian or from the Firm. Upon receipt, fees are allocated between the Firm and the IAR responsible for that account, as outlined above.

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**Other Fees**

Custodians may charge transaction fees on purchases or sales of certain mutual funds, stocks, bonds and exchange traded funds. These charges are usually relatively small and incidental to the purchase or sale of a security. In some cases, custodians may also charge monthly, quarterly or annual service fees. Fees such as these, which are imposed by account custodians, are disclosed to clients whenever a custodial arrangement is recommended by the Firm.

In addition, mutual funds, exchange-traded funds and variable insurance products usually charge a management fee for their services as investment managers. Mutual funds may also include transaction charges for the purchase and/or sale of securities held within their investment portfolios as well as other miscellaneous fees. These types of fees are generally included in each investment's expense ratio and identified in their respective prospectus and/or statement of additional information provided to clients.

Variable insurance products (variable annuities and variable universal life policies) typically also impose additional charges to cover additional expenses related to risk and mortality, guaranteed withdrawal benefits, guaranteed annuitization benefits and guaranteed accumulation benefits. Each company and contract may differ in the nature and amount of these additional expenses. Clients should carefully review these expenses in each product's prospectus.

These additional product fees and expenses would normally be in addition to those paid by the client for the Firm's advisory services.

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**Fee Billing**

Most of the Firm's fee billing is done through the custodial firm holding a client's account, as previously stated. The custodian collects the fees on behalf of the Firm and forwards them to the Firm. Where third-party money manager relationships exist, fee billing is done by the respective third-party money managers and their respective custodians. These fees are collected by the money managers and then forwarded to the Firm.

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**Termination of Agreements**

Advisory agreements continue in effect until terminated by written notice by either the client or the Firm to the other party. Termination of an agreement does not affect (i) the validity of any action previously taken by HSAS under the agreement; (ii) liabilities or obligations of the parties from transactions initiated before termination of an agreement; or (iii) the client's obligation to pay advisory fees, which are prorated through the date the Firm receives the notice of termination. Upon the termination of an agreement, neither the Firm nor its IAR will have any obligation to recommend or take any action with regard to the securities, cash or other investments in the terminated client's account. Any unearned advisory fees collected in advance will be refunded to the client's account by the Firm.

## Item 6 - Performance-Based Fees

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### Performance-Based Fees

HSAS' fees are not based on a share of the capital gains or capital appreciation of managed securities, a practice commonly referred to as a performance-based fee structure, due to the potential for conflicts of interest. Such fee structures could potentially create an incentive for an advisor to recommend investments with higher degrees of risk to the client in exchange for higher return potential for the advisor.

The Firm may, if deemed suitable and appropriate by the IAR, offer third-party asset manager options which assess their management fees based on a month-by-month evaluation of overall portfolio performance. If utilized, HSAS may share in the third-party manager fees assessed by such options. All aspects of such arrangements, including potential conflicts of interest, will be disclosed in a separate management agreement executed between that third-party manager and the HSAS client.

## Item 7 - Types of Client

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### Description

The Firm generally provides services to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, and corporations or other types of business entities within the United States and its territories for the accounts that it handles on an advisory or solicitor basis.

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### Account Minimums

The Firm does not impose a hard minimum account size. Most third-party money manager used with advisory client accounts may be independent RIAs, however, and may impose a minimum. HSAS' policy is to recognize and adhere to the minimum guidelines of each money manager. Minimums are sometimes negotiable and are usually aggregated for all members of a household to meet the overall account size minimum.

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### Types of Investments

The Firm may offer a variety of investment vehicles to clients for use within their investment portfolios. The following is a list of the most commonly utilized investment products:

|                                     |                               |
|-------------------------------------|-------------------------------|
| exchange- and OTC-traded securities | ADR and foreign issues        |
| government agency securities        | equity options (covered only) |
| warrants and convertible securities | corporate debt                |
| CDs, commercial paper and notes     | municipal securities          |
| limited partnerships                | mutual funds                  |
| exchange-traded funds               | UITs                          |
| non-traded REITs                    | variable annuities            |
| variable universal life insurance   |                               |

The Firm's IARs may also recommend traditional life insurance, disability income insurance and/or long-term care insurance as integral components of their financial planning processes.

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

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### **Methods of Analysis**

In developing investment strategies for advisory clients, the Firm may employ, either directly or through its third-party money managers, long- or short-term securities purchases, trading of securities within thirty (30) days, short sales, margin accounts and option writing. The development of these strategies is based on a variety of information sources and methods of securities analysis. Information sources include financial publications, research acquired from outside sources, corporate rating services and company press releases, along with annual reports, prospectuses and SEC filings. Specific securities are evaluated through the use of charting, fundamental, technical and/or cyclical analysis methods.

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### **Investment Strategies**

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. In these consultations they initially provide the advisor with detailed information that documents their objectives and their desired investment strategy. Since clients may change their objectives at any time, this information is reviewed with the client periodically and strategies adapted to any changes in objectives and/or suitability.

IARs counsel clients on the investment strategies employed by the various money manager RIAs and/or other asset allocation programs since there exists a wide variety of investment strategies to select from across the numerous platforms available. Strategies may involve strategic and tactical asset allocation approaches. Some money managers use passively-managed funds, such as index funds, exchange traded funds and unit investment trusts while others use actively managed funds and individual security portfolios where they perceive opportunities to better accomplish a client's investment objectives.

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### **Risk of Loss**

All investment programs have certain risks that are borne by the investor. Clients are advised of these various types of risk and the possibility of loss of their assets. Investment strategies are developed based on the risk tolerance of each client and the types of risks they may be subjected to. Investment vehicles are then selected by the advisor that are deemed suitable for the client according to their respective goals, timeframes and risk tolerances to potential losses. Our investment approach constantly keeps this risk of loss in mind. Investors may face any or all of the following investment risks while pursuing their financial goals:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

## **Item 9 - Disciplinary Information**

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### **Legal and Disciplinary**

SEC regulations require that a registered investment advisory firm include within this disclosure document any information relating to civil, criminal or regulatory actions filed against either the firm or its associated persons which might be material to a client when deciding to engage the services of that advisory firm. Accordingly, HSAS is including the following information:

In November 2012, a judgement was issued against David Mullen, as the Supervising Principal of Hazard & Siegel, Inc., by FINRA for failure to adequately supervise a spousal team of Registered Representatives of Hazard & Siegel, Inc. According to the complaint filed and subsequent proceedings, the husband was found to be signing his

wife's name to account documents. It was FINRA's position that Mr. Mullen failed to detect this activity and exercise appropriate supervisory controls. In satisfaction of the action, Mr. Mullen was suspended from all supervisory functions for the two-month period of 12/17/12 to 2/16/13 and fined \$10,000. Upon payment of the fine and completion of the suspension, Mr. Mullen was fully reinstated in all capacities by FINRA. Neither HSAS nor Mr. Mullen, as an associated person of HSAS, were parties to this complaint and the subsequent broker/dealer-related action.

The issue cited above, however, was unrelated to HSAS or to associated persons of the Firm while serving in any HSAS-related capacities. HSAS has not been involved in any legal or disciplinary events related to its investment advisory activities. Additional information regarding the disciplinary history of our Firm's IARs may be obtained by using the "Broker Check" feature on the FINRA website, [www.finra.org](http://www.finra.org), or on the SEC's website, [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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

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### **Financial Industry Activities**

HSAS operates solely as an independent SEC-registered investment advisory firm which may, on occasion, function as a solicitor for other RIAs. It is not registered as a securities broker-dealer, a futures commission merchant, commodity pool operator or commodity trading advisor.

Some associated persons of the Firm, however, are FINRA-licensed Registered Representatives of a broker/dealer and, as such, they may sell products and services through their broker/dealer relationship and receive separate and standard commissions on the sale of commission-compensated products and services. Some associated persons are also licensed as life, disability, health and/or long-term care insurance agents and may be compensated through separate and standard commissions for the sale of insurance and insurance-related products and services.

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### **Affiliations**

HSAS is a sibling corporation of Hazard & Siegel Inc., a FINRA-registered broker/dealer founded in 1967, and Hazard & Siegel Agency LLC, an insurance agency founded in 2003. Hazard & Siegel Inc.'s primary business is the sale and service of securities products while Hazard & Siegel Agency LLC offers traditional and variable insurance products for sale. Both entities are co-owned by Lex Joseph and David Mullen, who also serve as corporate officers along with Helen Joseph. As stated above, HSAS functions as either an independent investment advisory firm or as a solicitor for other advisory firms. While all three firms share office space and personnel, they are separate and distinct entities. There may however, from time to time, be potential conflicts of interest that develop. These are outlined in a section below.

Mr. Joseph is also the majority owner of Omega, Inc., a Qualified Plan Administration firm. Mr. Joseph is also one of the owners of Alex S. Joseph Associates, a traditional

insurance brokerage firm. There is no sharing of personnel, space or revenue between HSAS, Omega, Inc. or Alex S. Joseph Associates. Since all the above-referenced businesses are located in the same office building, there are some utility expenses that are master billed and then are divided pro rata to each business.

David Mullen, the Firm's CCO, serves as an officer on the Board of Directors of the Mountain Goat Run Foundation, a 501(c)(3) non-profit organization in Syracuse, New York.

The Firm does not provide legal, accounting or tax preparation services to its clients. Should the need arise for those services, however, it may refer the clients to attorneys or accountants who are independent of the Firm. If clients choose to use the services of those firms, they may be required to execute separate agreements with them which identify their specific services and fees. Clients are not obligated to engage those firms and our Firm receives no compensation for these referrals.

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### **Outside Business Activities**

Many of the Firm's IARs are involved in other businesses not directly related to that of their investment advisory practices. These include, but are not limited to, insurance sales and service, Registered Representative of a broker/dealer, real estate management, accounting and/or teaching.

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

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### **Educational Standards**

IARs of the Firm typically have earned a college degree as well as achieving various planning/business credentials such as CLU, ChFC, CFP, CFA etc. Associated persons are required to pass the Investment Advisor Law Examination (Series 65 or Series 66), unless exempted by SEC or individual state standards. Some states waive the exam requirement and permit an IAR to work with a money manager RIA with whom the Firm has an asset management relationship. Additionally, some states do not have procedures in place for the registration of IARs.

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### **Code of Ethics**

The Firm places the utmost priority on maintaining high standards of integrity and professionalism by its associated persons in the conduct of its advisory business. The greatest asset held by this Firm is the trust and confidence placed in it by its clients. It is incumbent upon all members of the Firm to maintain, further and adhere to the tenet that the clients' interest is paramount in all that we do. Accordingly, the Firm has established a Code of Ethics which has been specifically formulated to ensure that its fiduciary obligations are met. In addition, some associated persons of the Firm have received professional designations/certifications from professional associations which impose their own stringent Codes of Ethics on their memberships. All



associated persons of the Firm holding such professional designations are required to adhere to those Codes and maintain their designations in current and good standing if used with the public, in addition to the Firm's Code of Ethics.

The Firm's Code of Ethics establishes ethical guidelines for its employees and advisors to adhere to relative to the following key areas of its advisory operations:

|                             |  |
|-----------------------------|--|
| Compliance                  | Personal Securities Transactions       |
| Insider Trading             | Conflicts of Interest                  |
| Outside Business Activities | Gifts and Entertainment                |
| Recordkeeping               | Code Violation Reporting and Sanctions |

The employees and IARs of HSAS are committed to a Code of Ethics and Fiduciary Oath, as prescribed by the National Association of Personal Financial Planners (NAPFA), with the key points of our Code being:

- Placing client interests first;
- Objectivity;
- Confidentiality;
- Competence;
- Fairness and suitability;
- Integrity and honesty;
- Regulatory compliance;
- Full disclosure; and
- Professionalism.

All associated persons of the Firm are committed to its Code of Ethics, which is available in its entirety for review by clients and prospective clients. Copies of the Code may be requested by written request sent to Hazard & Siegel Advisory Services LLC, 5793 Widewaters Parkway, Dewitt, New York 13214 or by calling our office at (315) 414-0722 during normal business hours. A copy will be forwarded promptly upon receipt of a request.

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### **Conflicts of Interest**

Conflicts of interest between the objectives of the Firm's clients and its own which might result from the actions of any of its associated persons or affiliated firms will be conveyed to clients. Should new potential conflicts arise that have been previously undisclosed, all existing clients will be provided with a Material Changes portion of this disclosure document which delineates those potential conflicts.

At this time, the Firm shares common ownership, office space and personnel with a FINRA-registered broker/dealer and an insurance agency. Clients may have dealings that involve these entities in conjunction with or in addition to their advisory relationship with the Firm. These entities may, in turn, receive compensation from clients of the Firm which may or potentially could pose conflicts of interest with the Firm's services to the clients. Any such potential conflicts must be disclosed to advisory clients prior to any action being taken with those entities. The decision to proceed

with those actions rests solely with the clients after having been informed of the potential conflicts.

The Firm does allow its dual registrant IARs to offer or service variable annuities to broker/dealer clients in the furtherance of specific client objectives where these vehicles have previously been acquired by clients through other venues or where they may be consistent with a client's broker/dealer relationship. Traditional variable contracts, however, must be placed through a securities broker/dealer as a commission-based transaction. Due to the diverse commission-based compensation schedules associated with these products and the potential conflicts of interest which might exist if used for fee-based advisory clients, HSAS does not permit their use within advisory client accounts for which the Firm assesses an advisory fee, thus minimizing the potential for conflicts. IARs are permitted to utilize fee-based variable annuity contracts, which do not generate a sales commission, in advisory client portfolios.

Situations may exist where an IAR services variable annuity contracts acquired by a client prior to engaging HSAS or where a commissioned variable annuity product is determined by the IAR to appropriately serve a client's needs, the Firm's policy dictates that initial and subsequent trail commissions received by the broker/dealer for those specific contracts will be applied by the Firm as an offset against advisory fees, thus eliminating any financial jeopardy to the client from the use of these products and any potential conflict of interest for the Firm.

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### **Participation or Interest in Client Transactions**

If requested by clients, IARs of the Firm may execute security transactions for the clients in their capacity as a Registered Representative of a broker/dealer. The advisory agreement entered into by the client discloses potential conflicts of interest and advises clients that they are free to obtain brokerage services from any source in order to implement the Firm's advisory recommendations. No IAR of the Firm assumes discretionary authority over client accounts without written approval from the client and from the Firm's CCO. Outside money manager RIAs may have a separate discretionary agreement with the client as part of their agreement with the client.

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### **Personal Trading**

From time to time, the Firm's IARs may buy or sell securities for themselves that they also recommend to clients. They are not allowed to trade their own accounts ahead of client accounts, a practice known as "front running". Additionally, some IARs may hold their personal accounts in an arrangement with one or more of the Firm's outside money manager RIAs. These accounts are treated exactly the same as any advisory client account.

Mr. David Mullen is the Firm's Chief Compliance Officer (CCO) and is responsible for reviewing all trades involving accounts owned by associated persons of the Firm. Mr. Mullen's personal trades are reviewed by a team of the Firm's principals, including but not limited to, Mr. Alex S. Joseph Jr., Mr. Gary Prevo and Mr. Clyde Goldberg.

## **Item 12 - Brokerage Practices**

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### **Selecting Brokerage Firms**

The Firm does not have any affiliation with any product sales firm or any custodial firm at this time. Specific custodial recommendations are made to clients based on their needs for different services, the custodial arrangements in place for any money manager RIA used in the advisory process and the type(s) of financial products being employed in their investment planning strategies. The Firm does not receive any compensation from these arrangements. It may, however, receive electronic delivery of client information, electronic trading platforms and/or other services provided by a custodian which will benefit the Firm's clients. The Firm may also benefit from other services provided by custodians, such as research, continuing education and practice management advice. These are standard business practices and are not predicated on client recommendations or transactions.

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### **Best Execution**

Periodically, the CCO will review the comparative accuracy and efficiency of the managers and custodian through comparative means instead of individual trading data. To do so, Rule 605 reports are drawn from publicly available sources via the Internet. These reports provide statistical comparisons of the manager or custodian under review with the nationwide pool of their counterparts to provide an analytic overview of their best execution abilities. If any issues of potential concern are noted in these reports relative to trading activities affecting the Firm's advisory clients, they are addressed by the CCO directly with the money manager or custodian at that time, resolved immediately in the client's favor and all relevant information documented accordingly.

Additionally, on an annual basis, the CCO may request and review a Rule 606 report which compares the relative performance of broker/dealers to other broker/dealers in the market place across a variety of best execution parameters. In seeking best execution for its clients, lowest transaction cost may not always be the key determinative factor. The CCO also examines qualitative factors such as speed and accuracy of executions, value of research provided, commission rates and responsiveness to client and advisor concerns, for example. As a result, some trades may not necessarily obtain best price, within reason, but the Firm will achieve higher quality service across its entire trading platform and, hence, best execution overall. Based on these comparisons, the Firm continually seeks to ensure that the overall trading execution performance of its money managers and custodians compare favorably in the marketplace. Documentation of the Firm's ongoing Best Execution review is maintained by the CCO as a key component of its compliance books and records.

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### **Soft Dollars**

HSAS may obtain research and other services not routinely offered to a custodian's retail clients through "soft dollar" arrangements. Soft dollar benefits may enable an advisor to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. They may also make available other products and

services that benefit the advisor but may not directly benefit clients' accounts. Many of these products and services may be used to service all or a substantial number of client accounts, including accounts not maintained at the custodians providing the soft dollar benefits to the advisor. The commission and/or transaction fees charged by these custodians, however, may be higher or lower than those charged by other custodians or broker/dealers.

Custodian products and services that could assist in managing and administering clients' accounts typically might 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 advisory fees from clients' accounts; and/or
- v. assist with back-office functions, recordkeeping and client reporting.

Custodians may also offer other soft dollar services intended to help the advisor manage and further develop its business enterprise. These other services may include:

- i. compliance, legal and business consulting;
- ii. publications and conferences on practice management and business succession; and/or
- iii. access to employee benefits providers, human capital consultants and insurance providers.

They may also discount or waive fees they would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services. They may provide other benefits such as educational events or occasional business entertainment for an advisor's personnel. In evaluating whether to recommend or require that clients custody their assets with a particular custodian, the advisor may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers and not solely on the nature, cost or quality of custody and brokerage services provided by a custodian, which may create a potential conflict of interest.

At this time, HSAS does not accept any soft dollar benefits from its associated custodians or third-party money managers nor does it anticipate doing so in the foreseeable future.

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### **Order Aggregation**

At the discretion of the money managers, specific trades of individual securities for clients may be "batched" or aggregated with those of other clients or the manager to facilitate a block trade. By executing block trades, the manager seeks to achieve a better execution price for all parties interested in trading that specific security. Detailed records of each block trade and the allocation of shares within the block are maintained by the respective money manager or the Firm.

## **Item 13 - Review of Accounts**

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### **Periodic Reviews**

Reviews of accounts are conducted by the IAR on no less than an annual basis. More frequent reviews may be conducted, at the discretion of the IAR, based on market conditions, changing financial circumstances and/or client request. Annual reviews will be conducted with the client to ensure that the account is being managed in accordance with the client's financial planning needs. Quarterly reports which reflect their current holdings, market value and transaction history, are provided to each client by their account custodian.

Portfolio models, if any are utilized, will be reviewed and updated at least annually by the Firm's Investment Committee. Adjustments to portfolio models are made periodically to reflect changes in suitability, market conditions, market opportunities and client concerns. Individual holdings within each model are evaluated relative to their performance and the likelihood that they will contribute to the objectives of the specific portfolio model in which they are held.

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### **Review Triggers**

The Firm's IARs monitor economic and market conditions, perform due diligence reviews of securities and financial products and investigate significant gains or losses in client portfolios. Concerns in any of these areas, changes in tax laws and/or changes in client objectives or suitability may trigger the need for off-cycle account reviews with clients as well.

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### **Regular Reports**

Clients are provided with transaction confirmations, notices and regular account statements directly from the custodian of their accounts on a quarterly basis. Copies of all items sent to clients are available electronically to the Firm as well.

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

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### **Incoming Referrals**

The Firm relies heavily on existing client referrals to attract new clients and may also receive referrals from attorneys, accountants, friends and other sources. The Firm does not pay for referrals.

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### **Referrals Out To Other Professionals**

Neither the Firm nor its IARs receive referral fees or any other remuneration from other professionals when referring a client to them, unless the IAR is directly involved in the other business (i.e. IAR is an accountant at an outside CPA firm and will be paid by that firm for tax-related services provided to the referred client). This relationship is required to be disclosed to the client at the time of the referral as a potential conflict of interest.

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**Other Compensation**

The Firm may, from time to time, enter into a revenue sharing agreement with its third-party money managers. This revenue sharing is usually based on the Firm's assets under management with that money manager and typically are in the range of 0.03% to 0.10%. This additional compensation to the Firm is paid by the third-party money manager out of their portion of the client's advisory fee and is not passed through to the client. This does not affect the client fee in any way.

## **Item 15 – Custody**

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**Account Statements**

As a matter of policy and practice, the Firm does not accept or maintain custody of client assets. All assets must be held by a qualified custodian, as defined by the SEC. Investment advisors may be deemed by the SEC to have "custody" of client funds in certain types of accounts if certain conditions exist. A common example is when a staff member or IAR is designated as a trustee of an unrelated trust and the Firm acts as investment advisor on that trust's account(s). At this time, the Firm does not have custody of any accounts under these circumstances. Client statements are provided directly to clients by the custodians holding their assets with copies of those statements available electronically to the Firm.

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**Performance Reports**

As previously stated, each client is provided a quarterly report on their accounts. These reports provide, among other information, current quarterly market values of the client's assets.

## **Item 16 - Investment Discretion**

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**Discretionary Authority for Trading**

In general, all advisory client accounts are managed on a non-discretionary basis. Under some circumstances, IARs of the Firm may exercise discretionary authority but only with written approval from both the client and the Firm's CCO. Under such discretionary authority, the IAR may determine, without obtaining specific client consent, the securities to be bought or sold in a client's account, the timing of those transactions and the amount of the securities to be traded. This authority facilitates placing trades in client accounts on their behalf when timeliness is an issue. Outside money manager RIAs may be granted separate discretionary authority by the client as part of their agreement between the client and the money manager.

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**Limited Power of Attorney**

Neither the Firm nor its IARs are permitted to accept or maintain power of attorney over client accounts or financial affairs.

## **Item 17 - Voting Client Securities**

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### **Proxy Votes**

The Firm does not vote proxies on behalf of its clients. Clients are expected to vote their own proxies and account custodians are directed to forward all proxy voting materials directly to the clients. Clients may elect, solely at their own discretion, to delegate proxy voting authority to other third parties such as their respective money managers or account custodians. If assistance on voting proxies is requested of IARs by a client, they may provide recommendations only. If any conflict of interest might exist relative to advising the client on proxy issues, it will be disclosed to the client.

## **Item 18 - Financial Information**

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### **Financial Condition**

The Firm does not have any financial impairment that will preclude it from meeting its contractual commitments to its clients. Neither the Firm nor any associated persons have been a party in any bankruptcy proceedings during the past ten (10) years. Since the Firm does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1200 per client six months or more in advance, it is not required to prepare or provide a financial balance sheet to clients.