



## MOHAWK CAPITAL ADVISORS, LLC

### FORM ADV PART 2A DISCLOSURE STATEMENT March 9, 2021

This brochure provides information about the qualifications and business practices of Mohawk Capital Advisors, LLC and its registered investment adviser representatives. If you have any questions about the contents of this brochure, please contact us at (212) 367-7239 or [mohawkadvisors@gmail.com](mailto:mohawkadvisors@gmail.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. Additional information about Mohawk Capital Advisors, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number known as a CRD number. Mohawk Capital Advisors, LLC's CRD number is 172304.

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## **Item 2: Material Changes**

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This version of Part 2A of Form ADV (“Firm Brochure”) and Part 2B of Form ADV (“Supplement Brochure”), dated March 9, 2021, is our annual brochure document. It contains information about our business practices as well as a description of potential conflicts of interest relating to our advisory business which could affect your account with us. We are providing you with this material in accordance with Rule 204-3 of the Investment Advisers Act of 1940, which requires a registered investment adviser to provide a written disclosure statement upon entering into an advisory relationship.

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

This section provides updates of any material changes that occurred since the most recent delivery of our Firm Brochure on February 14, 2020. During calendar year 2020, there were no material changes.

### **Full Brochure Available**

We will provide you with a new version of the Firm Brochure as necessary when updates or new information are added, at any time, without charge. Request a complete copy of our Firm Brochure by contacting us by telephone at (212) 367-7239 or by email at [mohawkadvisors@gmail.com](mailto:mohawkadvisors@gmail.com).

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## **Item 4      Advisory Business**

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### **A.      Firm Description**

Mohawk Capital Advisors, LLC, (“Mohawk Capital Advisors” or “the Firm”) is an investment management firm that is registered with the U.S. Securities and Exchange Commission (“SEC”) as an investment adviser. The Firm is organized as a New York limited liability company that was founded in 2014. Mohawk Capital Advisors’ current business activities consist primarily of the management of securities portfolios for individuals. The Firm will, on occasion, provide financial planning consulting services.

***Principal Owners: Leonard Ellis is the sole owner with 100% ownership interest.***

### **B.      Types of Advisory Services**

Mohawk Capital Advisors offers personalized investment advisory services based on the individual needs of our clients and the suitability of products and services. Subject to any written guidelines, which the client may provide, the Firm will be granted discretion and authority to manage the account.

Mohawk Capital Advisors requires that a written Investment Advisory Agreement (“IA Agreement”) be signed by the client prior to the provision of services. The IA Agreement outlines the services rendered by Mohawk Capital Advisors and the fees that the client will be charged. Clients shall open a discretionary asset management account with the broker, through which Mohawk Capital Advisors shall monitor the assets of the account, and purchase and/or sell securities within the account, according to the terms and conditions of the IA Agreement.

As a discretionary adviser, Mohawk Capital Advisors will have the authority to supervise and direct the client’s portfolio without prior consultation with the client. By granting Mohawk Capital Advisors full discretion and authority to manage the account, the client is authorizing the Firm to perform various functions, at the client’s expense, without further approval from the client. Such functions include the determination of securities to be purchased or sold and the amount of securities to be purchased or sold. Notwithstanding the foregoing, clients may impose certain written restrictions on Mohawk Capital Advisors with the management of their investment portfolios, such as prohibiting the inclusion of certain types of investments. Each client should take note, however, that restrictions imposed by a client may adversely affect the composition and performance of the client’s investment portfolio. Once the portfolio is constructed, Mohawk Capital Advisors will provide continuous supervision and re-balancing of the portfolio as changes in market conditions and as client circumstances may require.

### **C.      Tailored Relationships**

The investment advisory services offered by Mohawk Capital Advisors are based on the individual needs of our clients and the suitability of products and services. We make a



thorough assessment of our client's goals, objectives, investment horizon, and risk tolerance. If clients wish to impose certain restrictions on investing in certain securities or types of securities, the Firm will address those restrictions with the client to have a clear understanding of the client's requirements. **As the client's financial situation, goals, objectives, or needs change, the client must notify Mohawk Capital Advisors promptly.**

#### **D. Wrap Fee Programs**

Wrap Fee Programs are arrangements between broker-dealers, investment advisers, banks and other financial institutions and affiliated and unaffiliated investment advisers through which the clients of such firms receive discretionary investment advisory, execution, clearing and custodial services in a "bundled" form. In exchange for these "bundled" services, the clients pay an all-inclusive (or "wrap") fee determined as a percentage of the assets held in the wrap account. Mohawk Capital Advisors does not participate in and is not a sponsor of any wrap fee program(s).

#### **E. Assets under Management**

When calculating regulatory assets under management, an Investment Adviser must include the value of any client account over which it exercises continuous and regular supervisory or management services. As of December 31, 2020, Mohawk Capital Advisors managed approximately \$63,200,000 in assets under management on a discretionary basis.

## **Item 5 Fees and Compensation**

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### **A. Advisory Fees and Billing**

#### **PORTFOLIO MANAGEMENT SERVICES**

Mohawk Capital Advisors will assess a management fee (the "Management Fee") to provide discretionary portfolio management services. A client will pay Mohawk Capital Advisors a management fee at a monthly rate, payable in arrears, based on the closing net asset value of the Account for such month. The standard monthly management fee shall be 1/12<sup>th</sup> of 1.0% (1.0% per annum) of the net asset value of the account. Net Asset Value includes all cash and all other assets of the account (valued at liquidation value) under management after taking into account all brokerage commissions and fees, and other expenses of the Account.

The client will provide written authorization permitting the fees to be paid directly from the account. The payment of fees will be debited from the client's account in accordance with the IA Agreement, and are paid by the qualified custodian holding the client's funds and securities. Payment of portfolio management fees will be made directly from the client account by the custodian provided that the following requirements are met:

- The client provides written authorization permitting the fees to be paid directly from the client's account held by the custodian. The Firm does not have access to client funds for



payment of fees without client consent in writing. Under certain circumstances and upon request by the client, a direct bill/invoice will be sent to the client.

- The custodian agrees to provide the client a statement, at least quarterly, indicating all amounts dispersed from the account including the amount of the advisory fee paid directly to the Firm.

Mohawk Capital Advisors reserves the right to discount fees based on the needs and circumstances of clients. All of the above-referenced fees are negotiable.

## **B. Other Fees & Expenses**

There may be additional fees or charges that result from the maintenance of or trading within your account. These are fees that are imposed by third parties in connection with investments made through your account, including but not limited to, no-load mutual fund 12(b)-1 distribution fees, certain deferred sales charges on previously purchased mutual funds, and IRA and Qualified Retirement Plan fees. Such charges, fees and commissions are exclusive of and in addition to our Firm's fees. Mohawk Capital Advisors and its investment adviser representatives do not receive any portion of these commissions, fees and costs and do not have any affiliation with the sponsors or providers of investment vehicles.

## **C. Refund Policy**

Clients may request to terminate their advisory contract with Mohawk Capital Advisors, by providing advanced written notice. Either party may terminate the investment advisory contract by providing thirty (30) days written notice to the other party. In the event of termination, fees are prorated from the date of last billing to the date of notice of termination. Upon termination of account, by either party any earned, unpaid fees for any unbilled portion of a month will be collected prior to disbursement of funds.

## **D. Other Compensation**

Mohawk Capital Advisors does not receive any compensation other than the management fees or consulting fees for providing investment advisory services to its clients.

# **Item 6 Performance-Based Fees and Side-by-Side Management**

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Performance-based compensation arrangements are compensation arrangements based on a share of the capital gains or capital appreciation of the assets of a client. Mohawk Capital Advisors does not receive any performance-based compensation from clients.

Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees.



Mohawk Capital Advisors does not assess performance-based fees and does not conduct side-by-side management of dissimilar advisory accounts.

## **Item 7      Types of Clients**

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Mohawk Capital Advisors provides discretionary asset management services to individuals, trusts, estates, charitable organizations, corporations, and pension and profit sharing plans.

Mohawk Capital Advisors does not require the client to have a minimum investment amount to open and/or to maintain an account with it.

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

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### **A.      Methods of Analysis**

Mohawk Capital Advisors employs fundamental analysis as our primary method for analyzing securities to achieve the investment objectives and goals of its clients. Fundamental analysis consists of analyzing financial statements of companies, calculating financial ratios, and reviewing cyclical trends of industries in conjunction with other monetary policy indicators to assess the overall performance and profitability of companies. We may at times also employ technical analysis and charting to analyze securities.

**Fundamental analysis** involves analyzing its financial statements and health, its management and competitive advantages, and its competitors and markets. Fundamental analysis is performed on historical and present data but with the goal of making financial forecasts. There are several possible objectives: to conduct a company stock valuation and predict its probable price evolution; to make a projection on its business performance; to evaluate its management and make internal business decisions; and to calculate its credit risk. Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating stock.

**Technical analysis** is a method of evaluating securities by relying on the assumption that market data, such as charts of price, volume and open interest can help predict future (usually short-term) market trends. Technical analysis assumes that market psychology influences trading in a way that enables predicting when a stock will rise or fall. The technical indicators that the fund may consider include, but are not limited to, price, volume, momentum, relative strength, sector/group strength and moving averages. Technical analysis does not consider the underlying financial condition of a company. This presents a risk that a poorly-managed or financially unsound company may underperform regardless of market movement.



**Charting analysis** involves the gathering and processing of price and volume information for a particular security. This price and volume information is analyzed using mathematical equations. The resulting data is then applied to graphing charts, which is used to predict future price movements based on price patterns and trends.

**Cyclical analysis** of economic cycles is used to determine how these cycles affect the returns of an investment, an asset class or an individual company's profits. Cyclical risks exist because the broad economy has been shown to move in cycles, from periods of peak performance followed by a downturn, then a trough of low activity. Between the peak and trough of a business or other economic cycle, investments may fall in value to reflect the uncertainty surrounding future returns as compared with the recent past.

## **B. Investment Strategies**

Mohawk Capital Advisors may utilize the following investment strategies when implementing investment advice given to clients:

**Long Term Purchases** - securities purchased with the expectation that the value of those securities will grow over a relatively long period, generally greater than one year. Long-term purchases may be affected by unforeseen long-term changes in the company in which you are invested or in the overall market.

**Short Term Purchases** - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations. We may use this strategy occasionally when we determine that it is suitable given your stated investment objectives and tolerance for risk.

**Trading** - securities purchased with the expectation that they will be sold within a very short period of time, generally within 30 days. Trading is not a fundamental part of our overall investment strategy, but we may use this strategy occasionally when we determine that it is suitable given your stated investment objectives and tolerance for risk. Frequent trading strategies may be used occasionally in an effort to capture significant market gains and avoid significant losses during a volatile market. However, frequent trading can negatively affect investment performance, particularly through increased brokerage and other transactional costs and taxes.

**Balance Strategy** - A portfolio allocation and management method aimed at balancing risk and return. Such portfolios are generally divided equally between equities and fixed-income securities. Although the balanced investment strategy aims to balance risk and return, it does carry more risk than those strategies aiming at capital preservation or current income. In other words, the balanced investment strategy is a somewhat aggressive strategy, and is suitable for those investors who have some tolerance for risk with a longer time horizon (generally over five years).

**Long Term Buy and Hold** - Buy and hold is a long term investment strategy based on the view that in the long run financial markets give a good rate of return despite periods of



volatility or decline. This viewpoint also holds that short term market timing (the concept that one can enter the market on the lows and sell on the highs) does not work for small accounts or inexperienced investors, so it is better to simply buy and hold. The risk involved with this type of strategy is that, if you need your money in the short term, you may not be able to wait for the market to recover from a downturn.

**Options** - An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an underlying asset at a specific price on or before a certain date (the "expiration date"). Mohawk Capital Advisors will use options to hedge a portion of a client's portfolio.

### **C. Material Risks of Methods of Analysis and Investment Strategies**

*Clients need to be aware that investing in securities involves risk of loss that clients need to be prepared to bear.*

Every method of analysis has its own inherent risks. To perform an accurate market analysis Mohawk Capital Advisors must have access to current/new market information. Mohawk Capital Advisors has no control over the dissemination rate of market information; therefore, unbeknownst to Mohawk Capital Advisors, certain analyses may be compiled with outdated market information, severely limiting the value of Mohawk Capital Advisors' analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Mohawk Capital Advisors) will be profitable or equal any specific performance level(s). Mohawk Capital Advisors does not represent, warrant, or imply that the services or methods of analysis employed by Mohawk Capital Advisors can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines.

Notwithstanding the method of analysis or investment strategy employed by our Firm, the assets within your portfolio are subject to risk of devaluation or loss. Mohawk Capital Advisors wants you to be aware that there are many different events that can affect the value of your assets or portfolio including, but not limited to, changes in financial status of companies, market fluctuations, changes in exchange rates, trading suspensions and delays, economic reports, and natural disasters.

Although Mohawk Capital Advisors' methods of analysis and investment strategies do not present any significant or unusual risks, all investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Clients face the following investment risks:



- **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 will be worth more today than 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.
- **Options Transactions:** Purchasing options involves the risk that the underlying investment does not change in price in the manner expected, so that the option expires worthless and the investor loses its premium. Selling options, on the other hand, involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying investment in excess of the premium payment received.
- **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.

While this information provides a synopsis of the events that may affect your investments, this listing is not exhaustive. We want you to understand that there are inherent risks associated with investing and depending on the risk occurrence; you may suffer LOSS OF ALL OR PART OF YOUR PRINCIPAL INVESTMENT.



#### **D. Recommendation of Specific Types of Securities**

Mohawk Capital Advisors does not primarily recommend a particular type of security. Investments may include, but are not limited to, exchange listed securities, fixed-income securities, futures, forward contracts, forex, options, money market funds or other pooled investment vehicles.

### **Item 9 Disciplinary Information**

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The Firm is required to disclose whether there are legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. Mohawk Capital Advisors and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

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

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#### **A. Financial Industry Activities**

Mohawk Capital Advisors is not a registered broker-dealer and does not have an application pending to register as a broker-dealer. Furthermore, Mohawk Capital Advisors' management and supervised persons are not registered representatives and does not have an application pending to register as representative of a broker-dealer.

#### **B. Financial Industry Affiliations**

Mohawk Capital Advisors is not a registered, Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor and does not have an application pending to register as such. Furthermore, none of Mohawk Capital Advisors' management or supervised persons is registered as, or has applications pending to register as an associated person of the foregoing entities.

#### **C. Other Material Relationships**

Mohawk Capital Advisors does not have any other arrangements that are material to its advisory or its clients with a related person who is a broker-dealer, investment company, other investment advisor, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, or an entity that creates or packages limited Funds other than those already disclosed herein.

#### **D. Other Investment Advisers**

Mohawk Capital Advisors does not have any arrangements with other investment advisers that are material to its clients or advisory business.



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

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### **A. Code of Ethics**

All employees of Mohawk Capital Advisors must act in an ethical and professional manner. In view of the foregoing and applicable provisions of relevant law, Mohawk Capital Advisors has determined to adopt a Code of Ethics to specify and prohibit certain types of transactions deemed to create conflicts of interest (or at least the potential for or the appearance of such a conflict), and to establish reporting requirements and enforcement procedures relating to personal trading by Mohawk Capital Advisors personnel.

Mohawk Capital Advisors' Code of Ethics specifically deals with professional standards, insider trading, personal trading, gifts and entertainment, and fiduciary duties, establishes ideals for ethical conduct based upon fundamental principles of openness, integrity, honesty, and trust. The Firm desires to comply with all applicable laws and regulations governing its practice, and the management of Mohawk Capital Advisors has determined to set forth guidelines for professional standards, under which all associated persons of Mohawk Capital Advisors are to conduct themselves. Mohawk Capital Advisors has set high standards, the intention of which is to protect client interests at all times and to demonstrate its commitment to its fiduciary duties of honesty, good faith and fair dealing with clients, as well as the procedures for approval and reporting established in the Code of Ethics. All associated persons are expected to adhere strictly to these guidelines. In addition, Mohawk Capital Advisors maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by Mohawk Capital Advisors or any person associated with the Firm.

We will provide a copy of our Code of Ethics to any client or prospective client upon request.

### **B. Participation of Interest in Client Transactions**

Mohawk Capital Advisors does not recommend or effect transactions in securities which any related person may have material financial interest.

### **C. Proprietary and Simultaneous Trading**

We at Mohawk Capital Advisors often buy and sell securities for our own accounts that we have also recommend to clients. This presents a conflict of interest. To the extent that related persons are aware of trades in individual issues being considered, recommended, or traded for the client accounts, the related persons will make every effort to trade in their own accounts after trades are executed for the client. Mohawk Capital Advisors will not intentionally favor a proprietary account over a client account, nor will it knowingly permit a proprietary account to trade ahead of a client account unless the client's investment strategy or objective is deemed to be a "buy and hold". That is, the client's objective may be



not to raise too much cash at any given time or the client may prefer not to have their securities offered into the market.

Mohawk Capital Advisors will always document any transactions that could be construed as conflicts of interest. To mitigate or remedy any conflicts of interest or perceived conflicts of interest, we will monitor our proprietary and personal trading reports for adherence to our Code of Ethics.

## **Item 12      Brokerage Practices**

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### **A.      Selection and Recommendation**

Mohawk Capital Advisors seeks to recommend a custodian/broker who will hold the client's assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. Mohawk Capital Advisors intends to maintain brokerage and custodial arrangements with select FINRA registered broker-dealers. Mohawk Capital Advisors is independently owned and operated and is not affiliated with any broker-dealers that it will use. The selected broker-dealers will hold client assets in a brokerage account and buy and sell securities when Mohawk Capital Advisors or the client instructs them to.

Mohawk Capital Advisors will always seek "best execution" for each trade, which is a combination of price, quality of execution and other factors. In making brokerage determinations, Mohawk Capital Advisors will consider a number of judgmental factors, including, without limitation: 1) clearance and settlement capabilities; 2) quality of confirmations and account statements; 3) the ability of the broker to settle the trade promptly and accurately; 4) the financial standing, reputation and integrity of the broker-dealer; 5) the broker-dealer's access to markets, research capabilities, market knowledge, and any "value added" characteristics; 6) Mohawk Capital Advisors' past experience with the broker-dealer; 7) Mohawk Capital Advisors' past experience with similar trades; and 8) any other factors. Recognizing the value of these factors, clients may pay a brokerage commission in excess of that which another broker might have charged for effecting the same transaction.

Mohawk Capital Advisors recognizes that "best execution" is not synonymous with lowest brokerage commission. Please note that due to the arrangement with its preferred broker dealers, Mohawk Capital Advisors may be limited or unable to negotiate commissions, aggregate orders, or seek execution of transactions as efficiently as possible and at the best price. Clients may also be paying higher commissions than they would with other brokerage firms.

### **B.      Soft Dollar Benefits**

Mohawk Capital Advisors does not currently generate "soft dollars." Under "soft dollar" arrangements, one or more of the brokerage firms would provide or pay the costs of certain



services, equipment, or other items. These soft dollar benefits are attributed to Mohawk Capital Advisors by reducing its expenses; however, the amount of the fee paid to Investment Adviser by the client will not be reduced. Nonetheless, Mohawk Capital Advisors believes that to the extent it makes allocations to brokerage business with soft dollar arrangements, this would generally enhance the ability to obtain research, optimal execution and other benefits on behalf of our clients.

Mohawk Capital Advisors has not received any soft dollar benefits.

### **C. Brokerage for Client Referrals**

When recommending broker-dealers to clients, the Firm does not consider whether it receives client referrals from a broker-dealer or third party.

### **D. Directed Brokerage**

Mohawk Capital Advisors permits clients to direct brokerage. If clients have their own preferred broker-dealer, we will notify the broker-dealer of our advisor-client relationship. Please be aware, however, when clients are permitted to direct brokerage, we may not be able to effect transactions in the most cost effective manner. Furthermore, we may be limited in our ability to aggregate transactions and clients may in turn, incur greater costs associated with brokerage transactions. As a result of such directed brokerage, clients may pay higher brokerage commissions than might otherwise be paid if Mohawk Capital Advisors was granted discretion to select a broker to handle the account. In addition, clients might lose the benefits of potentially better executions available through bunched transactions of the recommended broker-dealer custodian.

### **E. Order Aggregation**

The transactions for each client account generally will be effected independently, unless Mohawk Capital Advisors decides to purchase or sell the same securities for several clients at approximately the same time. Mohawk Capital Advisors may (but is not obligated to) combine or “bunch” such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among Mohawk Capital Advisors’ clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. This practice is reasonably likely to result in administrative convenience or an overall economic benefit to the client. Clients also benefit relatively with better purchase or sale execution prices, lower commission expenses or beneficial timing of transactions or a combination of these and other factors. Mohawk Capital Advisors shall not receive any additional compensation or remuneration as a result of such aggregation.



## **Item 13      Review of Accounts**

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### **A.      Periodic Reviews and Review Factors**

Mohawk Capital Advisors will monitor their respective client accounts on an ongoing basis to determine conformity with investment objectives and guidelines. Leonard Ellis, the Firm's managing member, will conduct the reviews.

Intermittent reviews may be triggered by substantial market fluctuations, economic or political events, or by changes in your financial status (such as retirement, termination of employment, relocation, or inheritance). Clients are advised to notify Mohawk Capital Advisors promptly if there are any material changes to their financial situation, investment objectives, or in the event they wish to place restrictions on their account.

**Clients are encouraged to notify Mohawk Capital Advisors if changes occur in his/her personal financial situation that might adversely affect his/her investment plan.**

### **B.      Client Reports**

Clients will receive a report at least monthly from the custodian, detailing account performance and account holdings. In addition, the client may receive other supporting reports from mutual funds, broker-dealers and others who are involved with client accounts.

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

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### **A.      Economic Benefits for Client Referrals**

The Firm does not receive and does not have any arrangement with third parties to receive economic benefits (such as sales awards or other prizes) for providing investment advice or other advisory services to its clients.

### **B.      Referral Compensation to unaffiliated Third Parties**

Mohawk Capital Advisors does not anticipate that selling commissions and/or referral fees will be paid in connection with client referrals. Neither Mohawk Capital Advisors nor any of its related persons currently pay any compensation directly or indirectly to any person who is not a supervised person for client referrals.

## **Item 15      Custody**

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### **A.      Custodian of Assets**

Custody means holding, directly or indirectly, client funds or securities, or having any authority to obtain possession of them.



Mohawk Capital Advisors does not have direct custody of any client funds and/or securities. Mohawk Capital Advisors does not take physical custody of client funds and/or securities under any circumstances. Client's funds and securities are held by a Mohawk Capital Advisors preferred qualified custodian. Please refer to Item 12 for our information regarding our Brokerage Practices. Mohawk Capital Advisors has implemented written policies and procedures to ensure that it will be in compliance with the required requirements and applicable safeguards with respect to custody.

While Mohawk Capital Advisors does not have physical custody of client funds or securities, the custodian may pay Mohawk Capital Advisors' management fees through a deduction from the custodial brokerage account that holds client funds, pursuant to client's account application. In certain jurisdictions, an Adviser's ability to withdraw management fees from the client's account may be deemed custody. As such, Mohawk Capital Advisors has indirect custody of client's funds or securities by virtue the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Prior to permitting direct debit of fees, each client provides written authorization permitting fees be made direct from the custodian. As part of the billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

The custodian does not calculate the amount of the fee to be deducted and does not verify the accuracy of Mohawk Capital Advisors' advisory calculation. Therefore, **it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things.** Clients should contact Mohawk Capital Advisors directly if they believe that there may be an error in their statement.

#### **B. Account Statements**

Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer/custodian for the client accounts. The client will receive monthly statements regarding the account from the client's broker of record.

Although we are your advisor, your statements will be mailed by the account's broker-dealer or custodian. When you receive these statements, please review the statements carefully. Please compare asset values, holdings, and fee to the account statement issued for the previous period.

## **Item 16 Investment Discretion**

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It is Mohawk Capital Advisors' customary procedure to have full discretionary authority in order to supervise and direct the investments of your accounts. You grant this authority upon execution of our IA Agreement. This authority is for the purpose of making and



implementing investment decisions, without your prior consultation. All investment decisions are made in accordance with your stated investment objectives. You may inform our Firm of restrictions that you would like to impose regarding investment strategies or types of securities transactions within your account(s).

Our discretionary authority does not give authority to take or have possession of any assets in your account or to direct delivery of any securities or payment of any funds held in the account to our Firm. Furthermore, our authority by agreement does not allow us to direct the disposition of such securities or funds to anyone except the account owner.

## **Item 17     Voting Client Securities**

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Fiduciary obligations of prudence and loyalty require an investment adviser with proxy voting responsibility to vote proxies on issues that affect the value of the client's investment. Proxy voting decisions must be made solely in the best interests of the client's account. In voting proxies, our Firm is required to consider those factors that may affect the value of the client's investment and may not subordinate the interests of the client to unrelated objectives.

Clients retain the right to vote all proxies which are solicited for securities held in their accounts. Mohawk Capital Advisors will not take nor be required to take any action or render any advice with respect to the voting of proxies solicited by or with respect to the issuers of securities in which assets of the Client's account may be invested in occasionally. Furthermore, Mohawk Capital Advisors will not take any action or be required to render any advice with respect to any securities held in any Client's accounts that are named in or subject to class action lawsuits. Mohawk Capital Advisors will, however, forward to you any information received by our Firm regarding class action legal matters involving any security held in your account.

## **Item 18     Financial Information**

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### **A.     Balance Sheet Requirement**

Mohawk Capital Advisors is not the qualified custodian of client funds or securities, does not have custody of client funds or securities and does not require prepayment of fees of more than \$1,200 per client, six (6) months or more in advance.

### **B.     Financial Condition**

The Firm does not have any financial impairment that will preclude it from meeting contractual commitments to clients.



### **C. Bankruptcy Petition**

Neither the Firm nor its management has been the subject of a bankruptcy petition at any time during the last 10 years.

### **Privacy Policy**

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Mohawk Capital Advisors does not disclose nonpublic personal information about its clients or former clients to any persons other than as described below. Mohawk Capital Advisors collects information about its clients (such a name, address, social security number, assets and income) from discussions with clients, from documents that clients may deliver to Mohawk Capital Advisors (such as account applications) and in the course of providing services. In order to service its client accounts and effect client transactions, Mohawk Capital Advisors may provide client personal information to its affiliates and to firms that assist it in servicing client accounts and which have a need for such information. Mohawk Capital Advisors does not otherwise provide information about its clients to outside firms, organizations or individuals except as required by law. Any party that receives this information will use it only for the services and as allowed by applicable law or regulations, and is not permitted to share or use this information for any other purpose.







MOHAWK CAPITAL ADVISORS, LLC

FORM ADV PART 2B  
BROCHURE SUPPLEMENT  
March 9, 2021

**LEONARD CHARLES ELLIS**

Investment Adviser Representative

This Brochure Supplement provides information about the qualifications of Leonard C. Ellis, the sole Investment Adviser Representative of Mohawk Capital Advisors, LLC ("Mohawk Capital Advisors" or the "Firm"). If you have any questions about the contents of this brochure, please contact us at (212) 367-7239 or [mohawkadvisors@gmail.com](mailto:mohawkadvisors@gmail.com).

Additional information about the Firm's Investment Adviser Representatives also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a

▪ 101 Warren Street, #1440, New York, NY 10007 ▪ Telephone (212) 367-7239 ▪  
▪ [mohawkadvisors@gmail.com](mailto:mohawkadvisors@gmail.com) ▪

unique identifying number known as a CRD number. Leonard C. Ellis' CRD number is 3215166.



## A. General Requirements

Generally, Mohawk Capital Advisors, LLC (“Mohawk Capital Advisors”) requires employees to have relevant working experience in the securities industry. Any employee of Mohawk Capital Advisors acting in a representative capacity will be appropriately licensed and registered as such.

## B. Investment Adviser Representative Information

We currently have one (1) investment adviser representative employed by Mohawk Capital Advisors. This brochure supplement provides information about **Leonard Charles Ellis**.

## Item 2 Education and Business Experience

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### Leonard Charles Ellis

CRD No. 3215166

Year of Birth: 1968

#### Business Experience:

**Investment Adviser Representative, Managing Member** 2014 - Present  
Mohawk Capital Advisors, LLC, New York, NY

**Managing Director** 2011 - 2012  
Rencap Securities, New York, NY

**Managing Director** 2009 - 2011  
Capstone Global Markets, New York, NY

**Managing Director** 2000 - 2009  
Citigroup Global Markets, New York, NY

#### Education:

University of Pennsylvania (1990), BA, BS

## Item 3 Disciplinary Information

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None. Leonard Charles Ellis does not have any legal or disciplinary events material to a client’s or prospective client’s evaluation.



#### **Item 4      Other Business Activities**

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None. Leonard Charles Ellis is not engaged in any other business other than giving investment advice.

#### **Item 5      Additional Compensation**

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None. Leonard Charles Ellis does not receive any economic benefit from any third party for providing investment advisory services.

#### **Item 6      Supervision**

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The Firm has adopted written supervisory procedures that are designed to supervise the activities of its supervised persons. The Firm will administer its supervision through application of its policies. At the date of this brochure, the Firm has only one supervised person, Leonard Charles Ellis. Mr. Ellis is the Managing Member, an Investment Adviser Representative and Compliance Officer of Mohawk Capital Advisors, LLC. Mr. Ellis is responsible for providing advice to clients of the firm. He is also responsible for the administration of the Firm's operations. Mr. Ellis will periodically review the Firm's guidelines and advisory services it provides.

#### **Item 7      Requirements for State-Registered Advisers**

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##### **A.      Arbitration Claims**

None. Leonard Charles Ellis has not been found liable in any arbitration claim alleging damages in excess of \$2,500 involving an investment or investment-related business or activity, fraud, false statements, or omissions, theft, embezzlement or other wrongful taking of property, bribery, forgery, counterfeiting or extortion, or dishonest, unfair or unethical practices.

##### **B.      Self-Regulatory Organization or Administrative Proceedings**

None. Leonard Charles Ellis has not been involved in an award or otherwise found liable in any civil, self-regulatory organization, or administrative proceeding involving an investment or investment-related business or activity, fraud, false statements or omissions, theft, embezzlement or other wrongful taking of property, bribery, forgery, counterfeiting, or extortion, or dishonest, unfair or unethical practices.

##### **C.      Bankruptcy Petitions**



None. Leonard Charles Ellis has not been the subject of a bankruptcy petition at any time during the last 10 years.





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