

SEC Form ADV

Part 2A “Brochure”



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This wrap fee program brochure provides information about the qualifications and business practices of Excel Securities & Associates. If you have any questions about the contents of this brochure, please contact us at 585-424- 1234 or excel@excelsecurities.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Excel Securities & Associates, Inc. also is available on the SEC’s website at www.adviserinfo.sec.gov. Please understand that the term “registered investment adviser” does not imply a certain level of skill or training.

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Advisory Business

History

Excel Securities and Associates, Inc. (hereinafter, “Excel”) has been engaged in investment related business since 1978. Since 1985, Excel has been a registered broker-dealer regulated by the SEC and FINRA. In 2008, Excel became registered with the SEC as an investment adviser. Since that time Excel has continued to expand its Advisory offerings and have continuously enhanced our ability to meet the standard of care mandated by the 1940 Investment Advisers Act. It is important to understand that Excel acts as the Broker Dealer of record for all accounts that leverage our advisory offerings.

Principal Owners

EXCEL is structured as a New York corporation with Joseph Lanzisera as the principal owner.

Advisory Services Offered

EXCEL currently sponsors three programs.

- FB Advisory (FB1, FB2, FB3)
 - FB1 -Discretionary Wrap
 - FB2 -Discretionary Non-Wrap
 - FB3 – Non-Discretionary Non-Wrap
- Managed ETF Portfolios (METF)
 - Discretionary Wrap
- Morningstar Managed Portfolios (MMP)
 - Discretionary Wrap

The FB Advisory program is offered in three variations referred to as FB1, FB2, and FB3. Program versions FB1 & FB2 are discretionary offerings and FB3 is a non-discretionary offering. Program FB1 is a wrap program while versions FB2 and FB3 are not wrap program offerings.

The METF Portfolios are a fully discretionary wrap program which leverages publicly available research provided by third parties in the creation and management of the program portfolios. Excel allocates client assets to the selected model.

The MMP offering is a discretionary wrap program which is sub-advised by Morningstar Investment Management. Excel Securities pays Morningstar a licensing fee and Morningstar in turn provides Excel the portfolio composition for each model. Excel allocates client assets based on information provided by Morningstar for each model.

The firm previously offered a forth wrap program, MAC Advisory, that has been closed to new customers since April of 2018

Advisory Program Categories

Discretionary

An account that Excel, or its portfolio manager, exercises control over the investment account with respect to the asset mix, investment vehicles, quantity, and timing of investment actions. The basis of investment decisions are the client’s investor/financial profile. The financial profile is derived from client completed questionnaires and personal interviews. The Financial Profile is a reflection of the client’s current financial picture and may be forward looking. The client’s investment profile and objectives are discussed regularly with each customer and changes are memorialized in written documents.

Before granting discretionary authority over your account(s), clients should thoroughly read this brochure, the brochure of any third-party managers being recommended, as well as the brochure supplements of the Excel personnel being granted discretionary authority, if any.

Non-Discretionary

An account type that the account owner retains complete investment management responsibility, control and authority. The only non-discretionary advisory offering available to new customers is program FB version 3 (FBv3).

Advisory Program Types

Wrap Fee Programs

Clients electing a wrap fee program are charged an advisory fee expressed as an annual percent of their account value. These fees are billed monthly in advance and include the cost of asset manager fees, advisory services, trading costs, and performance reporting. In addition to the billed monthly advisory fee, wrap accounts may encounter additional non-billed expenses resulting from the internal mutual fund, ETF, and investment product expenses. All account types are subject to paper surcharges which can be avoided by electing electronic delivery of these items. All tax qualified accounts such as IRAs are subject to annual maintenance fees.

Sell transactions are subject to section 31 transaction fees. See <https://www.sec.gov/fast-answers/answerssec31htm.html> for more information on these fees. Section 31 fees will appear on the transaction confirmation as a transaction fee.

Other customer elected activities may result in additional charges. You should make inquiry around the cost of elective activities such as overnight delivery of checks or documents, electronic funds transfers to other financial institutions, check writing related costs, and other activities not related to the investment advisory services.

Each of our wrap fee program offerings are more fully described in a separate brochure.

Non-Wrap Fee Program

Clients electing a non-wrap program are charged an advisory fee expressed as an annual percent of their account value. These fees are billed monthly in advance and include the cost of Advisory services only. Additional billed expenses will include brokerage trading costs, related regulatory transaction fees such as section 31 transaction fees, paper surcharges (paper surcharges can be avoided by electing electronic delivery), and custodial fees for qualified retirement accounts. Potential non-billed additional expenses can result from the internal expenses of mutual funds and related investment types.

Determining which program category and program type is most appropriate for your needs is best accomplished by analyzing your client profile information with your Excel representative. Providing complete and accurate client profile information is essential to this process. Clients should take care to see that they have provided Excel all requested information, and that Excel is promptly made aware of material changes to the data as they arise.

Portfolio Management Services

The methods employed for account management do not differ based on the type of account chosen. Both wrap and non-wrap programs employ the same methods of customer profiling and leverage the same profile scoring methodology to determine a recommended asset allocation. The differentiating factor between these two offering types is how the cost associated with certain account activities is billed. When using a wrap account, a portion of the fee collected is retained by Excel to offset the costs of transaction fees and other operational expenses. When using a non-wrap program these costs are billed directly to the client account. Because the cost of these items can be variable the client may want to explore the cost effectiveness of each program type.

Certain wrap fee offerings are not available as a non-wrap program due to the use of third-party managers for the delivery of management services. For a complete description of our various wrap fee programs please refer to the separate wrap fee program brochure

Discretionary Breakdown

Effective December 31, 2020, Excel managed \$235,000,000 on a discretionary basis, and \$93,000,000 on a non-discretionary basis.

Selection of Manager

The various Advisory offerings available through Excel require the selection of an account manager. The account manager is either the Investment Advisor Representative (IAR) who has the relationship with the client, or a third-party manager selected with the assistance of the Investment Advisor Representative (IAR) from a list of approved managers made available by Excel.

Fees and Compensation (all programs)

Fees paid to Excel for advisory services do not include IRA maintenance fees or fees related to customer elected account activity. Elective account activities include check writing related fees, electronic funds transfers, safe keeping fees, register & ship related costs, charges related to DRS transfer activity.

Fees paid to Excel are separate and distinct from any fees and expenses charged by mutual funds, ETFs (exchange traded funds) or other investment products (as described in each fund's prospectus or offering materials). Excel is not paid any portion of any fees and expenses imposed by mutual funds, ETFs, or any investment products. Excel encourages our customers to understand all fees charged by Excel, mutual fund companies, and others so they can make informed decisions.

EXCEL collects fees from all MAC Advisory program accounts expressed as an annual percentage of client assets and billed quarterly in advance. MAC advisory program has been closed to new accounts since 2018. All other EXCEL sponsored programs are charged an advisory fee expressed as an annual percentage of client assets and billed monthly in advance. Fees charged will vary depending on the program category, program type, and the value of the account.

**Maximum Customer Annual
Advisory Fee**

Household Asset Level	FB1	FB2	FB3	METF	MMP
Billing Frequency	Monthly	Monthly	Monthly	Monthly	Monthly
Minimum Annual Fee	\$204	\$0.00	\$0.00	\$204	\$204
First \$500,000	1.500%	1.20%	.75%	1.500%	1.3%
Next \$500,000	1.45%	1.15%	.70%	1.45%	1.3%
Next \$1 million	1.40%	1.10%	.65%	1.40%	1.25%
Next \$3 million	1.35%	1.05%	.60%	1.35%	1.25%
Next \$5 million	1.30%	1.05%	.55%	1.30%	1.20%
Above \$10 million	1.25%	1.05%	.50%	1.25%	1.20%

Account Billing

The FB program, METF program, and MMP program accounts are charged advisory fees monthly in advance and fees are deducted from client accounts. Clients are not able to elect alternate billing methods. We may, at our discretion, make exceptions to the foregoing or negotiate special fee arrangements where we deem it appropriate under the individual circumstances.

Additional expenses related to Non-Wrap account types

- Advisory clients electing non-Wrap programs will incur brokerage transaction costs as per the table below.

Type of Transaction	Trade Cost
Stocks, Mutual Funds, Options & ETFs	\$19
Mutual Fund (exchange)	\$5

- Non-Wrap program accounts can leverage the Pershing Fundvest platform which allows program accounts to buy, sell, and exchange nearly 7000 load and no-load mutual funds from more than 300 fund families without incurring any transaction fees. Purchases must meet a minimum dollar threshold of \$2500, and a holding period of three months to be eligible for the fee waiver.

Additional Expenses

Tax qualified Advisory accounts will be subject to annual IRA maintenance fees equal to \$43.50 unless a mutual fund only election has been made and the selected program is eligible for mutual fund only election, in which case the annual fee will be \$12.

Advisory Fee Adjustments & Refunds

In the event a MAC Advisory program account terminates during the quarter, any remaining unused advisory fees will be calculated and returned to the client account. Adjustments for deposits and withdrawals will be calculated and applied at the next quarterly billing for amounts that exceed \$5000.

No adjustment for deposits and withdrawals are made to FB, METF, or MMP program accounts. Termination refunds will be applied for program accounts that have been open for at least one year since the inception of account billing. Upon account termination Excel will calculate the refund amount based on the number of days remaining from the date of termination until month end. Calculated refunds that exceed program minimums will be credited to the program account.

Additional Compensation

The only source of compensation related to advisory accounts is derived from the program advisory fees paid by the customer.

Other Marketing Assistance

Excel does not receive marketing assistance of any form or amount from anyone.

Purchases through non-affiliated agents

Excel does not offer any proprietary products and all the recommended investment products can be purchased through other non-affiliated brokers and agents outside of the Excel advisory programs. The total cost of these investment products purchased outside of the advisory programs may be more than or less than the cost of purchasing within the advisory program. Effective comparison of these costs must attempt to determine certain forward-looking information such as holding periods, frequency of exchanges, breakpoints, ticket charges, and other miscellaneous fees and charges that may be encountered when transacting outside of the advisory program.

Performance – Based Fees

None of Excel's advisory programs charge fees based on account performance.

Types of clients

Predominately, Excel provides investment advisory services to individuals and trusts.

Methods of Analysis

FB Advisory Program

The methods of analysis for the FB Advisory program may vary based on the different techniques employed by each Advisor Representative. Predominately, FB Advisory portfolios utilize a diverse set of mutual funds to reach the desired asset allocation. Third party analysis tools are commonly used to assess the quality of investment products being recommended. Asset allocation recommendations are derived from the scoring of client responses to profile questionnaires. Initial portfolio recommendations and subsequent reviews of all accounts are evaluated using universal portfolio allocation models. Some advisor representatives have developed and refined unique methods of identifying attractive investment opportunities. Each of these methods employs filtering of quantifiable characteristics to identify potential investment selections. Clients should review the Investment Advisor Representatives' specific brochure supplement (ADV Part 2B) and ask questions until they are comfortable with the style and levels of risk associated with their investment portfolio. All investments involve risk of loss, and clients should understand the range of most likely outcomes associated with their portfolio and be prepared to bear the risk.

Morningstar Managed Portfolios

Each of the Morningstar Managed Portfolios are created exclusively from the Morningstar proprietary research.

Asset Allocation and Rebalancing Risk: The risk that a client's account assets may be out of balance with the target allocation. Any rebalancing of such assets by Excel may be limited by several factors and, even if achieved, may have an adverse effect on the performance of the Client account's assets.

Mutual Fund or ETF Risk: The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. When investing in an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. Clients may incur brokerage costs when purchasing ETFs or mutual funds.

Manager Risk: The investment strategies, research, analysis and the determination of a portfolio's securities by Excel may not be successful. The risk of loss due to allocations in the various assets may cause the client's account to underperform relative to benchmarks or other accounts with a similar investment objective.

Concentration Risk: The increased risk of loss associated with not having a diversified portfolio (i.e., Client accounts concentrated in a geographic region, industry sector or issuer are more likely to experience greater loss due to an adverse economic, business or political development affecting the region, sector or issuer than an account that is diversified and therefore has less overall exposure to a particular region, sector or issuer).

Privacy/ Cybersecurity Risk: The risk of actual and attempted cyber-attacks, including denial-of-service attacks, and harm to technology infrastructure and data from misappropriation or corruption, and reputation harm. Due to Excel interconnectivity with third-party vendors, exchanges, clearing houses and other financial institutions, Excel, and thus indirectly our clients, could be adversely impacted if any of them is subject to a successful cyber-attack or other information security event. Although Excel takes protective measures and endeavors to modify them as circumstances warrant, its computer systems, software and networks may be vulnerable to unauthorized access, misuse, computer viruses or other malicious code and other events that could have a security impact or render Excel unable to transact business on behalf of clients.

Equity Risks: The market price of securities owned by Clients may go up or down, sometimes rapidly or unpredictably. The equity securities in Clients' portfolios may decline in value due to factors affecting equity securities markets generally. The values of equity securities may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries.

General Economic Conditions: Changes in general economic conditions may affect a client's activities. Interest rates, general levels of economic activity, the price of securities and participation by other investors in the financial markets may affect the value and number of investments made by a client or considered for prospective investment. Material changes and fluctuations in the economic environment, may affect a client's ability to make investments and the value of investments held by the Client or the Client's ability to dispose of investments. A Client's portfolio investments can be expected to be sensitive to the performance of the overall economy. No assurance can be given as to the effect of these events on a client's investments or investment objectives.

Disciplinary Information

Neither Excel nor any of its supervised persons have been the subject of any legal or disciplinary event that would be material in your evaluation of Excel or the integrity of its management. Certain administrative actions exist in the firm's history and the full details can be found at www.adviserinfo.sec.gov.

Other Financial Industry Activities and Affiliations

As mentioned earlier in this document, Excel is a registered Broker Dealer and Excel acts as the Broker Dealer for all accounts for which we provide advisory services. All Excel Investment Advisor Representatives are also Registered Representatives subject to supervision from FINRA. This is not a requirement, but it can create a perceived conflict of interest as certain transactions may generate more commissions than would result from the same transaction in an Advisory account. Alternatively, an Advisory account may result in fees that exceed the dollar value of the same activity in a commissionable setting. It is prudent to fully assess the forward-looking needs and the fees and charges associated under each relationship type, Advisory or Brokerage.

Excel, as a Broker Dealer, maintains a fully disclosed clearing relationship with Pershing LLC. In its capacity as clearing agent, Pershing provides custody for all of Excel Advisory accounts. Through its affiliated companies, Pershing also provides a variety of technology and operational systems that facilitate the reporting and oversight functions necessary to

effectively perform our Advisory obligations. Pershing and Lockwood Advisors are wholly-owned affiliates of the Bank of New York Mellon. As the size and scope of Excel's business with Bank of New York Mellon and all related companies grows, the potential exists for Excel to obtain enhanced pricing across its related businesses. This may be perceived as a conflict of interest and is disclosed here so that clients may assess the relevance.

Many of the Excel Investment Advisor Representatives also maintain insurance licenses and may engage in the sale of various insurance products. Some insurance products, such as variable annuities and variable insurance, are supervised by Excel, and other non-variable types may be sold through insurance brokers unrelated to Excel. These insurance activities are not offered on an advisory basis, and the commissions and fees generated by this activity can cause a conflict of interest to the Advisory relationship. This is disclosed here so that clients may assess the relevance.

Code of Ethics

EXCEL has adopted a Code of Ethics, designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940. The code establishes rules of conduct for all employees of EXCEL and is designed to, among other things; govern personal securities trading activities in the accounts of employees. The Code is based upon the principle that EXCEL and its employees owe a fiduciary duty to EXCEL's advisory clients to conduct their affairs, including their personal securities transactions, in such a manner as to avoid (i) serving their own personal interests ahead of clients, (ii) taking inappropriate advantage of their position with the firm and (iii) any actual or perceived conflicts of interest or any abuse of their position of trust and responsibility. EXCEL will provide a copy of our Code of Ethics to any client or prospective client upon request. EXCEL and its related people are prohibited from recommending or selling investments to clients for which EXCEL or its related persons have a material financial interest.

Occasionally, EXCEL advisors may elect to invest in the same securities or related securities that have been recommended to clients. This can create a perceived conflict of interest when the price received or paid for a particular investment by EXCEL or its Advisors is superior to the price obtained by the client.

With the exception of persons in supervisory roles, EXCEL's Investment Advisor Representatives do not have the ability to monitor what other EXCEL Investment Advisor Representatives are recommending or transacting.

EXCEL monitors trade activity to identify real or perceived violations of its policies and Code of Ethics so that it may address items as they arise. The full text of Excel Securities & Associates Code of Ethics Policy is available upon request.

Brokerage Practices

Excel requires all client Advisory accounts be opened and maintained with Excel as the Broker Dealer. Exceptions to this requirement may be granted where extenuating circumstances exist. Being the Broker Dealer of record for these accounts and related transactions is paramount to the program's ability to maintain stable and predictable pricing. Client accounts outside of Wrap accounts are subject to low transaction fees, identified under the "Fees and Compensation" section of this brochure and commensurate with discount brokerage.

EXCEL does not attempt to average price transactions in same security, same side of market, in the same day across all EXCEL clients. Our efforts on this front are limited to accounts participating in the METF or MMP program offerings. All accounts within the same allocation model of these two offerings are traded as aggregate transactions and receive the average transaction price for each security transacted.

Excel does not engage in any arrangements that exchange research or other soft dollar benefits for directed brokerage.

Excel does not engage in any activities that exchange client referrals in return for directed brokerage, nor do we have arrangements for other third-parties to refer clients to us.

The Company's clearing firm, on behalf of the Company, provides no less frequently than each calendar quarter a customer account statement showing securities positions, money balances and account activity during the period. The Company's prime brokerage customers, if any, are not covered under this Rule. DVP/RVP accounts may opt out of receiving customer statements if the conditions described in Rule 2430(b) are met, including receiving and maintaining a written request from the customer. The Company receives copies of customer statements monthly on CD-ROM for review and to meet regulatory requests for such records.

Customer brokerage account statements must contain a statement advising the customer to promptly report any discrepancies and inaccuracies in the account to their broker/dealer or the clearing firm and to reconfirm any oral reports in writing in order to protect their rights, including rights under the Securities Investor Protection Act (SIPA). Brokerage statements must also include a telephone number at the clearing firm for a customer to call if they have questions about their account. Excel has authorized only one performance reporting tool and prohibits the sharing of account or portfolio performance calculation produced from any other method or system.

Review of Accounts

Each client Advisory account is periodically reviewed by the associated Investment Advisor Representative. Minimally, the review will examine the current account holdings and make determination as to whether or not the portfolio remains consistent with the needs of the client in accordance with their client profile provided at the time of account opening, or in subsequent updates to that information. The process of this review evaluates the following items and makes determinations with respect to the appropriateness of the results given the client's investor profile.

- The mix of assets being employed (Asset Allocation)
- The actual returns versus appropriate benchmarks (Performance)

The client is provided communication informing them of the review findings and any recommendations. Portfolio reviews may be requested by the client and may also be conducted upon receipt of information material to the management of the portfolio or at any time such reviewed is deemed necessary or advisable by Excel. Reviews may also be triggered by material changes in variables such as the client's individual circumstances, changes in financial markets or the economic environment.

The underlying securities within client accounts are continually monitored. Any perceived need for change is then considered for each client portfolio on an individual basis.

Reports

All client accounts are provided brokerage account statements at least quarterly. These statements display starting value, ending value, all transactions that occurred during the reporting period, all positions held at the end of the reporting period, purchase price, and current value, together with all required brokerage account disclosures.

The Company's clearing firm, on behalf of the Company, provides no less frequently than each calendar quarter a customer account statement showing securities positions, money balances and account activity during the period. The Company's prime brokerage customers, if any, are not covered under this Rule. DVP/RVP accounts may opt out of receiving customer statements if the conditions described in Financial Industry Regulatory Authority ("FINRA") Rule 2430(b) are met, including receiving and maintaining a written request from the customer. The Company receives copies of customer statements monthly on CD-ROM for review and to meet regulatory requests for such records.

Customer brokerage account statements must contain a statement advising the customer to promptly report any discrepancies and inaccuracies in the account to their broker/dealer or the clearing firm and to reconfirm any oral reports in writing in order to protect their rights, including rights under the Securities Investor Protection Act (SIPA). Brokerage statements must also include a telephone number at the clearing firm for a customer to call if they have questions about their account.

The Firm will review customer statements to ensure that the appropriate disclosure language is included and will work with the clearing firm to remedy any deficiencies. The Firm will periodically, but not less than at any change in the clearing firm, spot check statements to ensure required disclosure is still present and in the correct form.

Excel presently permits persons associated with the Firm to prepare consolidated financial reports ("consolidated reports") for customers. As a service to clients, many investment adviser representatives ("IAR") provide documents that consolidate information regarding a client's various financial holdings. These communications may supplement, but do not replace, the customer account statements required pursuant to FINRA regulations. It is important that consolidated reports are not represented as a substitute for, and must be distinguished from, account statements provided by the custodian.

Excel has authorized only one performance reporting tool and prohibits the sharing of account or portfolio performance calculation produced from any other method or system. The Albridge Wealth Reporting (AWR) software is licensed through Albridge, a wholly owned Bank of New York Mellon company. Client reports consist of holdings, transaction and

performance reports, and are available in three formats: a web-based on-screen display, an easy-to-print and present PDF document and a comma-separated value (CSV) export format, for use in spreadsheet applications.

The output from performance reports, together with the client provided profile information, is the foundation of periodic account reviews.

Client Referrals and Other Compensation

Neither Excel nor its related people receive or provide any compensation or other economic benefit to any persons or entities for providing client referrals.

Neither Excel nor its related people receive or provide any compensation or other economic benefit to any persons or entities for providing investment advice or other advisory services to our clients other than relationships described elsewhere in this document.

Custody

All client funds and securities are maintained by Pershing LLC, a qualified custodian. It is the custodian's responsibility to provide clients with confirmations of trading activity, tax forms and at least quarterly account statements. Clients are urged to review their periodic account statements and contact us if they have any questions regarding the information contained in these statements. Clients are also asked to promptly notify us if the custodian fails to provide statements on each account held.

Investment Discretion

The Managed ETF Portfolios, Morningstar Managed Portfolios, and FB1 & FB2 portfolios are managed on a discretionary basis pursuant to a Limited Power of Attorney ("LPOA") contained within the program agreement. The LPOA provides us the authority to carry out trade executions and portfolio management activity without notifying you prior to the activity occurring in the account.

In the event client provides Excel with written investment account restrictions, Excel may implement processes to honor their request. In the event Excel is unable to meet the requested restriction the customer will be notified in writing as soon as administratively feasible.

Voting Client Securities

As a policy and in accordance with our client agreements, we do not vote proxies related to securities held in client accounts. The custodian of the account normally provides proxy materials directly to the client. Clients may contact us with questions relating to proxy procedures and proposals; however, we generally do not research particular proxy proposals.

Financial Information

Excel does not have any financial commitments that impair our ability to meet our contractual obligations to our clients.