

Steginsky Capital LLC

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ADV Part 2A, Brochure

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This Brochure provides information about the qualifications and business practices of Steginsky Capital LLC (the “Registrant”). If you have any questions about the contents of this Brochure, please contact us at (212) 683-1700 or andrew@steginsky.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 Steginsky Capital LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

References herein to Steginsky Capital LLC as a “registered investment adviser” or any reference to being “registered”, does not imply a certain level of skill or training.

Item 2 Material Changes

There have been no material changes to this ADV Part 2A, Brochure since the March 31, 2021 annual amendment filing.

Although not material, the Registrant has made disclosure changes, enhancements and additions below at Items 4, 5, 6, 12, 15 and 17.

ANY QUESTIONS: The Registrant’s Chief Compliance Officer, Andrew Steginsky, remains available to address any questions that a client or prospective client may have regarding this ADV Part 2A, Brochure.

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INTRODUCTION

Steginsky Capital, a SEC registered investment advisor, was formed in March 2000, by its founder, Andrew Steginsky.

Our organization is able to provide the services needed to meet the personal money management requirements tailored for each of our clients. Our worldwide client base consists of high net-worth individuals, trusts & endowments, corporate pension & profit sharing plans, and individual retirement plans.

Our team of professionals average over 30 years' experience on Wall Street managing the assets of affluent clients and researching investment opportunities. We pride ourselves on our one-on-one accessibility and attentive service resulting in longstanding personal client relationships that often involve many generations.

Item 4 Advisory Business

- A. Steginsky Capital LLC (the “Registrant”) is a New York limited liability company that has been registered as an investment adviser since March 2000. The Registrant is owned by Andrew Steginsky, who is the Registrant’s Managing Member.
- B. As discussed below, the Registrant offers to its clients (currently: individuals, high net worth individuals, business entities, trusts, estates and charitable organizations) investment advisory services. The Registrant does not hold itself out as providing financial planning services. However, to the extent specifically requested by client, the Registrant, upon occasion, may provide limited consulting services.

INVESTMENT ADVISORY SERVICES

The client can determine to engage the Registrant to provide discretionary investment advisory services on a *fee-only* basis. The Registrant’s annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under the Registrant’s management. Before engaging the Registrant to provide investment advisory services, clients are required to enter into an Investment Advisory Agreement with Registrant setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee that is due from the client.

Before Registrant provides investment advisory services, an investment adviser representative will ascertain each client’s investment objectives. The Registrant will then allocate and/or recommend that the client allocate investment assets consistent with the designated investment objectives. Once allocated, the Registrant provides ongoing monitoring and review of account performance and asset allocation as compared to client investment objectives, and may periodically execute account transactions based upon those reviews or other triggering events.

MISCELLANEOUS

Limitations of Consulting/Implementation Services. Although the Registrant does not hold itself out as providing financial planning, estate planning or accounting services, to the extent specifically requested by the client, the Registrant, upon occasion, may provide limited consultation services to its investment management clients on investment and non-investment related matters, such as estate planning, tax planning, insurance, etc. Registrant does not charge any separate or additional fee for those. Neither the Registrant, nor any of its representatives, serves as an attorney, accountant, or licensed insurance agent, and no portion of the Registrant’s services should be construed as legal, accounting, or insurance implementation services. Accordingly, the Registrant does not prepare estate planning documents, tax returns, or sell insurance products. To the extent requested by a client, the Registrant may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.). The client is under no obligation to engage the services of any such recommended professional, who shall be solely responsible for the quality and competency of the services they provide. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant. If the client engages any recommended professional, and a dispute arises related to the engagement, the client should seek recourse exclusively from and against the engaged professional.

Limitation of Registrant's Investment Management Services. While the Registrant may provide investment advice regarding many different types of investments, the client's managed account will normally contain a relatively small number of securities positions and may not constitute a fully diversified or balanced portfolio that is suitable for investment of all of the client's assets (the account will generally not contain fixed-income investments). The Registrant shall manage the account without consideration for the other investment assets or accounts that the client may have or maintain away from the Registrant. In addition, the Registrant's service is limited to the management of the account and does not include financial planning or any other related or unrelated consulting services.

Borrowing Against Assets/Risks. A client who has a need to borrow money could determine to do so by using:

- **Margin**-The account custodian or broker-dealer lends money to the client. The custodian charges the client interest for the right to borrow money, and uses the assets in the client's brokerage account as collateral or
- **Pledged Assets Loan**- In consideration for a lender (i.e., a bank, etc.) to make a loan to the client, the client pledges its investment assets held at the account custodian as collateral.

These above-described collateralized loans are generally utilized because they typically provide more favorable interest rates than standard commercial loans. These types of collateralized loans can assist with a pending home purchase, permit the retirement of more expensive debt, or enable borrowing in lieu of liquidating existing account positions and incurring capital gains taxes. However, such loans are not without potential material risk to the client's investment assets. The lender (i.e. custodian, bank, etc.) will have recourse against the client's investment assets in the event of loan default or if the assets fall below a certain level. For this reason, Registrant does not recommend such borrowing unless it is for specific short-term purposes (i.e. a bridge loan to purchase a new residence). Registrant does not recommend such borrowing for investment purposes (i.e. to invest borrowed funds in the market). Regardless, if the client was to determine to utilize margin or a pledged assets loan, the following economic benefits would inure to Registrant:

- by taking the loan rather than liquidating assets in the client's account, Registrant continues to earn a fee on such Account assets and
- if the client invests any portion of the loan proceeds in an account to be managed by Registrant, Registrant will receive an advisory fee on the invested amount.

Please Note: The client must accept the above risks and potential corresponding consequences associated with the use of margin or a pledged assets loans.

Trade Error Policy. Registrant shall reimburse accounts for losses resulting from the Registrant's trade errors, but shall not credit accounts for such errors resulting in market gains. The gains and losses are reconciled within the Registrant's custodian firm account and Registrant retains the net gains and losses.

Client Obligations. In performing its services, Registrant shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains their responsibility to promptly notify the Registrant if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Registrant's previous recommendations and/or services.

Disclosure Statement. A copy of the Registrant's written disclosure statement as set forth on Part 2 of Form ADV Form CRS (Client Relationship Summary) shall be provided to each client prior to, or contemporaneously with, the execution of the Investment Advisory Agreement.

Investment Risk. 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 Registrant) will be profitable or equal any specific performance level(s).

Portfolio Trading Activity / Inactivity. Registrant has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, Registrant will review client portfolios on an ongoing basis to determine if any trades are necessary based upon various factors, including but not limited to investment performance, account additions/withdrawals, the client's financial circumstances, and changes in the client's investment objectives. Based upon these and other factors, there may be extended periods of time when Registrant determines that trades within a client's portfolio are not prudent. Clients nonetheless remain subject to the fees described in Item 5 during periods of portfolio trading inactivity.

Cash Positions. Registrant continues to treat cash as an asset class. As such, unless determined to the contrary by Registrant, all cash positions (money markets, etc.) shall continue to be included as part of assets under management for purposes of calculating Registrant's advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being **no guarantee** that such anticipated market conditions/events will occur), Registrant may maintain cash positions for defensive purposes. In addition, while assets are maintained in cash, such amounts could miss market advances. Depending upon current yields, at any point in time, Registrant's advisory fee could exceed the interest paid by the client's money market fund.

Cybersecurity Risk. The information technology systems and networks that Registrant and its third-party service providers use to provide services to Registrant's clients employ various controls, which are designed to prevent cybersecurity incidents stemming from intentional or unintentional actions that could cause significant interruptions in Registrant's operations and result in the unauthorized acquisition or use of clients' confidential or non-public personal information. Clients and Registrant are nonetheless subject to the risk of cybersecurity incidents that could ultimately cause them to incur losses, including for example: financial losses, cost and reputational damage to respond to regulatory obligations, other costs associated with corrective measures, and loss from damage or interruption to systems. Although Registrant has established its systems to reduce the risk of cybersecurity incidents from coming to fruition, there is no guarantee that these efforts will always be successful, especially considering that Registrant does not directly control the cybersecurity measures and policies employed by third-party service providers. Clients could incur similar adverse consequences resulting from cybersecurity incidents that more directly affect issuers of securities in

which those clients invest, broker-dealers, qualified custodians, governmental and other regulatory authorities, exchange and other financial market operators, or other financial institutions.

- C. The Registrant shall provide investment advisory services specific to the needs of each client. Before providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, the Registrant shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at any time, impose reasonable restrictions, in writing, on the Registrant's services.
- D. The Registrant does not participate in a wrap fee program.
- E. As of December 31, 2021, the Registrant had \$331,923,579 in assets under management on a discretionary basis.

Item 5 Fees and Compensation

- A. The client can determine to engage the Registrant to provide discretionary investment advisory services on a *fee-only* basis.

INVESTMENT ADVISORY SERVICES

If a client determines to engage the Registrant to provide discretionary investment advisory services on a negotiable *fee-only* basis, the Registrant's annual investment advisory fee shall generally be based upon a percentage (%) of the market value and type of assets placed under the Registrant's management on a tiered basis (between 0.50% and 1.00%) as follows:

<u>Market Value of Portfolio</u>	<u>% of Assets</u>
Initial \$2,500,000	1.00%
Additional Assets Between \$2,500,001 and \$25,000,000	0.75%
Remaining Assets Above \$25,000,000	0.50%

- B. Clients may elect to have the Registrant's advisory fees deducted from their custodial account. Both Registrant's Investment Advisory Agreement and the custodial/ clearing agreement may authorize the custodian to debit the account for the amount of the Registrant's investment advisory fee and to directly remit that management fee to the Registrant in compliance with regulatory procedures. In the limited event that the Registrant bills the client directly, payment is due upon receipt of the Registrant's invoice. The Registrant shall deduct fees and/or bill clients quarterly in advance, based upon the market value of the assets on the last business day of the previous quarter. Registrant's policy is to treat intra-quarter account additions and withdrawals equally unless indicated to the contrary on the *Firm's* Investment Advisory Agreement executed by the client and will prorate fees on any contributions or withdrawals greater than 10% in any account during the quarter.
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, the Registrant shall generally recommend that Pershing Advisor Solutions LLC, ("*Pershing*") serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as *Pershing* charge brokerage commissions and/or transaction fees for executing certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds,

commissions are charged for individual equity and fixed-income securities transactions). In addition to Registrant's investment management fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses). The fees charged by the applicable broker-dealer/custodian, and the charges imposed at the fund level, are in addition to Registrant's investment advisory fees referenced in this Item 5.

- D. Registrant's annual investment advisory fee shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter. If a client contributes securities or cash to the account after the beginning of a quarter, an additional investment management fee will be charged on the new assets, on a pro-rata basis, for the remaining days in the quarter. The fee will be calculated based on the market value of the assets on the day of, and giving effect to, additional contribution. It will take into account any breaking points applicable to the new market value and will be payable on the day the additional contribution is received. If a client withdraws more than 10% of the market value of the total account after the beginning of a quarter, the Registrant will refund a pro-rated portion of the prepaid fee based on the number of days remaining in the quarter and the percentage of the withdrawal to the value of account as of the close of business on the business day prior to the withdrawal. Interim quarter credits and fees are effected no later than the beginning of the next billing cycle.

The Investment Advisory Agreement between the Registrant and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the Investment Advisory Agreement. Upon termination, the Registrant shall refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter.

- E. Neither the Registrant, nor its representatives accept compensation from the sale of securities or other investment products.

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

Neither the Registrant nor any supervised person of the Registrant is a party to any performance or incentive-related compensation arrangements with its clients.

Item 7 Types of Clients

The Registrant's clients shall generally include individuals, high net worth individuals, business entities, trusts, estates and charitable organizations. The Registrant does not generally require an annual minimum fee or asset level for investment advisory services. Registrant, in its sole discretion, may charge a lesser investment management fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.). Neither the Registrant nor any supervised person of the Registrant accepts performance-based fees.

INVESTING PHILOSOPHY

“Volatility in the stock market does not disturb us. In fact, we embrace volatility as one of the reasons for the wealth building power of the market.”

WE SEEK TO INVEST...

WITH FIRST CLASS ENTREPRENEURS

Their vision, boldness and passion for excellence inspire organizations to greatness. They are the lifeblood of corporate growth which is the basis for the creation of shareholder wealth.

FOR THE LONG TERM

Corporate growth can be slow and uneven, yet the compounded effect over a long period of time substantially rewards the patient investor.

WITH CONVICTION

We typically invest in between 7 or 10 companies. This intensely focused approach assures us the highest level of investment conviction and commitment.

IN VALUE

We favor stocks with meaningful cash flow and when the shares are priced at a discount to their true value. Our approach is intended to minimize risk in weak markets without compromising long term growth objectives

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

- A. The Registrant generally utilizes a “Fundamental” method of securities analysis, which is analysis performed on historical and present data, with the goal of making financial forecasts.

The Registrant generally utilizes “Long Term Purchases” (securities held at least a year) as its primary investment strategy when implementing investment advice given to clients. The client’s managed account will normally contain a relatively small number of securities positions and may not constitute a fully diversified or balanced portfolio that is suitable for investment of all of the client’s assets (the account will generally not contain fixed-income investments). The Registrant shall manage the account without consideration for the other investment assets or accounts that the client may have or maintain away from the Registrant.

Please Note: Investment Risk. Investing in securities involves risk of loss that clients should be prepared to bear, including the complete loss of principal investment. Past performance does not guarantee future results. 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 Registrant) will be profitable or equal any specific performance level.

- B. The Registrant’s methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis the Registrant must have access to current/new market information. The Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to the Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of the Registrant’s 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.

The Registrant’s primary investment strategy - Long Term Purchases- is a fundamental investment strategy. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy. As noted above, the Registrant utilizes long term purchases as an investment strategy.

- C. Currently, the Registrant primarily allocates client investment assets among various individual equity securities, on a discretionary basis in accordance with the client’s designated investment objective(s). Equity securities represent an ownership interest, or the right to acquire an ownership interest, in an issuer. Equity securities also include, among other things, common stocks, preferred securities, convertible stocks and warrants. The values of equity securities, such as common stocks and preferred 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. Equity securities generally have greater price volatility than most fixed income securities. However, equity securities offer greater potential for appreciation than many other types of securities because their value increases directly with the value of the issuer's business.

Item 9 Disciplinary Information

The Registrant has not been the subject of any disciplinary actions.

Item 10 Other Financial Industry Activities and Affiliations

- A. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. The Registrant has no other relationship or arrangement with a related person that is material to its advisory business.
- D. The Registrant does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

- A. The Registrant maintains an investment policy relative to personal securities transactions. This investment policy is part of Registrant's overall Code of Ethics, which serves to establish a standard of business conduct for all of Registrant's Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request. In accordance with Section 204A of the Investment Advisers Act of 1940, the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.
- B. Neither the Registrant nor any related person of Registrant recommends, buys, or sells for client accounts, securities in which the Registrant or any related person of Registrant has a material financial interest.
- C. The Registrant and/or representatives of the Registrant *may* buy or sell securities that are also recommended to clients. This practice may create a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation presents a conflict of interest.

Practices such as “scalping” (i.e. a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if the Registrant did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, “front-running” (i.e. personal trades executed prior to those of the Registrant’s clients) and other potentially abusive practices.

The Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Registrant’s “Access Persons.” The Registrant’s securities transaction policy requires that an Access Person of the Registrant must provide the Chief Compliance Officer or a designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or a designee with a written report of the Access Person’s current securities holdings at least once each twelve (12) month period thereafter on a date the Registrant selects; provided, however that at any time that the Registrant has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. The Registrant and/or representatives of the Registrant *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation presents a conflict of interest. As indicated above in Item 11.C, the Registrant has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Registrant’s Access Persons.

Item 12 Brokerage Practices

- A. In the event that the client requests that the Registrant recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct the Registrant to use a specific broker-dealer/custodian), Registrant generally recommends that investment management accounts be maintained with *Pershing*. Before engaging Registrant to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement with Registrant setting forth the terms and conditions under which Registrant shall manage the client’s assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that the Registrant considers in recommending *Pershing* (or any other broker-dealer/custodian to clients) include historical relationship with the Registrant, financial strength, reputation, execution capabilities, pricing, research, and service. . Broker-dealers such as *Pershing* can charge transaction fees for effecting certain securities transactions. To the extent that a transaction fee will be payable by the client to Pershing, the transaction fee shall be in addition to Registrant’s investment advisory fee referenced in Item 5 above.

To the extent that a transaction fee is payable, Registrant shall have a duty to obtain best execution for such transaction. However, that does not mean that the client will not pay a transaction fee that is higher than another qualified broker-dealer might charge to effect the same transaction where Registrant determines, in good faith, that the transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible

cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, transaction rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible rates for client account transactions.

1. Research and Additional Benefits. Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Registrant receives from *Pershing* (or could receive from another broker-dealer/custodian, investment platform, unaffiliated investment manager, product/fund sponsor) without cost (and/or at a discount) support services and/or products, certain of which assist the Registrant to better monitor and service client accounts maintained at such institutions. The support services that Registrant obtains can include: investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis travel and attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Registrant in furtherance of its investment advisory business operations.

. However, Registrant's clients do not pay more for investment transactions executed and/or assets maintained at *Pershing* as a result of this arrangement. There is no corresponding commitment made by the Registrant to *Pershing* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement. **The Registrant's Chief Compliance Officer, Andrew Steginsky, remains available to address any questions that a client or prospective client may have regarding the above and the conflict of interest presented.**

2. The Registrant does not receive referrals from broker-dealers.
3. Directed Brokerage. The Registrant does not generally accept directed brokerage arrangements (when a client requires that account transactions be executed through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Registrant will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Registrant. As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

If the client directs Registrant to execute securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to execute account transactions through alternative clearing arrangements that may be available through Registrant. Higher transaction costs adversely impact account performance. Transactions for directed accounts will generally be executed following

the execution of portfolio transactions for non-directed accounts. **The Registrant's Chief Compliance Officer, Andrew Steginsky, remains available to address any questions that a client or prospective client may have regarding the above.**

- B. To the extent that Registrant provides investment management services to its clients, the transactions for each client account generally will be executed independently, unless Registrant decides to purchase or sell the same securities for several clients at approximately the same time. Registrant may (but is not obligated to) combine or "bunch" such orders to seek best execution, to negotiate more favorable commission rates, or to equitably allocate differences in prices and commissions or other transaction costs among Registrant's clients, which might have been obtained if the orders were 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. Registrant will not receive any additional compensation or remuneration as a result of such aggregation.

Item 13 Review of Accounts

- A. For those clients to whom Registrant provides investment supervisory services, account reviews are conducted on an ongoing basis by the Registrant's Principals and/or representatives. All investment supervisory clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with the Registrant on an annual basis.
- B. The Registrant *may* conduct account reviews on a non-periodic basis upon a triggering event, such as a change in client investment objectives and/or financial situation, market events, or specific client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

Item 14 Client Referrals and Other Compensation

- A. As referenced in Item 12.A.1 above, the Registrant receives economic benefits from *Pershing* including support services and/or products without cost (and/or at a discount). Registrant's clients do not pay more for investment transactions executed and/or assets maintained at *Pershing* as a result of this arrangement. There is no corresponding commitment made by the Registrant to *Pershing* or any other any entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement. **The Registrant's Chief Compliance Officer, Andrew Steginsky, remains available to address any questions that a client or prospective client may have regarding the above arrangement.**
- B. The Registrant does not compensate any person other than its representatives for investment advisory services.

Item 15 Custody

Registrant shall have the ability to deduct its advisory fee from the client's custodial account. Clients are provided with written transaction confirmation notices, and a written summary account statement directly from the custodian (i.e., Pershing, etc.) at least quarterly. **Please Note:** To the extent that Registrant provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by Registrant with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of Registrant's advisory fee calculation.

In addition, Registrant and/or certain of its members engage in other services and/or practices (i.e., bill paying, password possession, trustee service, etc.) requiring disclosure at Item 9 of Part 1 of Form ADV. These services and practices result in Registrant having custody under Rule 206(4)-2 of the Advisers Act. Per the Rule, having such custody requires Registrant to undergo an annual surprise CPA examination, and make a corresponding Form ADV-E filing with the SEC, for as long as Registrant provides such services and/or engages in such practices. **The Registrant's Chief Compliance Officer, Andrew Steginsky, remains available to address any questions regarding this limited custodial situation.**

Item 16 Investment Discretion

The client can determine to engage the Registrant to provide investment advisory services on a discretionary basis. Before the Registrant assumes discretionary authority over a client's account, the client shall be required to execute an Investment Advisory Agreement, naming the Registrant as the client's attorney and agent in fact, granting the Registrant full authority to buy, sell, or otherwise execute investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage the Registrant on a discretionary basis may, at any time, impose restrictions, in writing, on the Registrant's discretionary authority (i.e. limit the types / amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe the Registrant's use of margin, etc.).

Item 17 Voting Client Securities

- A. Unless the client directs otherwise in writing, the Registrant is responsible for voting client proxies relative to assets that the Registrant manages. However, the client shall maintain exclusive responsibility for all legal proceedings or other type events pertaining to the account assets, including, but not limited to, class action lawsuits. Registration and/or the client shall correspondingly instruct each custodian of the assets to forward to Registrant copies of all proxies and shareholder communications relating to the assets. Absent mitigating circumstances and/or conflicts of interest (to the extent any such circumstance or conflict is presented), it is Registrant's general policy to vote proxies consistent with the recommendation of the senior management of the issuer. Registrant shall monitor corporate actions of individual issuers and investment companies consistent with Registrant's fiduciary duty to vote proxies in the best interests of its clients.

Registrant shall maintain records pertaining to proxy voting as required under the Advisers Act. Information pertaining to how Registrant voted on any specific proxy issue is also available upon written request. With respect to investment companies (e.g., mutual funds), the Registrant may be solicited to vote on matters including the approval of advisory contracts, distribution plans, and mergers. The Registrant shall maintain records pertaining to proxy voting as required pursuant to Rule 204-2 (c)(2) under the Advisers Act. Copies of Rules 206(4)-6 and 204-2(c)(2) are available upon written request. In addition, information pertaining to how the Registrant voted on any specific proxy issue is also available upon written request. Requests should be made by contacting the Registrant's Chief Compliance Officer, Andrew Steginsky.

- B. This item is not applicable because as set forth in Item 17.A immediately above, Registrant votes client proxies.

Item 18 Financial Information

- A. The Registrant does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. The Registrant is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. The Registrant has not been the subject of a bankruptcy petition.

ANY QUESTIONS: The Registrant's Chief Compliance Officer, Andrew Steginsky, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.