

**Part 2A of Form ADV: Firm Brochure**  
**Item 1 Cover Page**

**SDS Family Office, LLC**  
**750 Lexington Avenue, 9<sup>th</sup> Floor**  
**New York, NY 10022**

This brochure provides information about the qualifications and business practices of SDS Family Office, LLC. If you have any questions about the contents of this brochure, please contact us at 203-208-9650 and/or [peter@sdsfo.com](mailto:peter@sdsfo.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 SDS Family Office, 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. Our Firm’s CRD number is 307619.

SDS Family Office, LLC’s registration as an investment adviser does not imply a certain level of skill or training.

Effective Date: March 31, 2022

## **Item 2 Material Changes**

### **Summary of Material Changes**

This section will be updated as required in the event any material changes are made to the SDS Family Office, LLC Firm Brochure (the “Brochure”):

- SDS Family Office, LLC has no material changes to report at this time.

### **Delivery Requirements**

We will provide a summary of any material changes to this Brochure to our clients at least annually, within 120 days of our fiscal year end. Furthermore, we will provide our clients with other interim disclosures about material changes as necessary.

A complete copy of our current Form ADV Part 2A and/or 2B may be requested free of charge by contacting us by telephone at 203-208-9650 or by email at [peter@sdsfo.com](mailto:peter@sdsfo.com).

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## Item 4 Advisory Business

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### FIRM DESCRIPTION

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SDS Family Office, LLC (hereinafter referred to as “SDS,” “we,” “us,” “the Firm,” or “our Firm”) is a private limited liability company, organized in under the laws of the State of Delaware, with its principal office located in New York, NY. The owners of the Firm are Peter Sasaki, Evan Schwartzberg and Matthew Van Alstyne. Mr. Sasaki is Managing Member and Chief Compliance Officer of the Firm.

As a registered investment adviser, we are a fiduciary to you, our client, meaning we have a fundamental obligation to act and provide investment advice that is in your best interest. Should any material conflicts of interest exist that might affect the impartiality of our investment advice, they will be disclosed to you in this Brochure. We urge you to review this Brochure carefully and consider our qualifications, business practices and the nature of our advisory services before becoming our client.

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### ADVISORY SERVICES

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#### *Investment Management*

SDS offers discretionary and non-discretionary continuous investment management services where the investment advice provided is tailored to meet the client’s investment objectives, risk tolerance, cash or income needs and any investment restrictions. We offer an initial consultation in which pertinent information about the client’s personal and financial circumstances and objectives is collected, and the scope of the engagement is determined. Although SDS seeks to accommodate any reasonable investment restrictions or guidelines set by our clients, we may decline to accommodate certain investment restrictions that are incompatible with our Firms’ investment philosophy or that may have an adverse effect on our ability to manage your account. Clients may request that SDS refrain from investing in particular securities or certain types of securities and must provide these restrictions to SDS in writing.

When SDS enters into a discretionary agreement—part of the Investment Management Agreement—with the client, this agreement will grant SDS the discretion and authority to manage the client’s account subject to any written guidelines or restrictions that the client may provide. Specifically, the client grants SDS full power to direct, manage and change the investment and reinvestment of the assets in the account without prior approval from the client. Such functions may include the determination of securities and/or funds and the amount of securities to be purchased or sold. Our authority over clients’ investments includes discretionary authority to purchase and sell securities for the client’s account and to give instructions concerning these transactions to the qualified custodian with which the clients’ accounts are held. We are not required to first consult with clients before placing any specific order or obtain specific authorization from the client for each specific transaction. Our advice is generally limited to stocks, exchange traded funds, bonds, mutual funds, U.S. Treasuries, municipal securities, options, private funds and alternative investments, but we reserve the right to advise or not advise our clients on

certain investments should we deem it appropriate based on their particular circumstances. Once the portfolio is constructed, SDS will provide ongoing supervision and rebalancing of the portfolio as changes in market conditions and the client's circumstances may require.

To ensure that our initial determination of an appropriate portfolio remains suitable and that the account continues to be managed in a manner consistent with the client's investment guidelines, we will maintain quarterly contact with our clients in terms of portfolio construction, transactions and performance.

For non-discretionary investment management services, SDS will monitor client assets and will provide recommendations clients. Specifically, we make recommendations to clients, but we will not purchase or sell securities for the client's account, submit aggregated trader orders for the client and others in order to obtain best execution, or give instructions concerning these transactions to the qualified custodian with which the clients' account without first receiving consent from clients. The client is free at all times to accept or reject any of our investment recommendations.

SDS enters into formal written agreements with our clients setting forth the terms and conditions under which we will provide our services (the "Investment Management Agreement"). The Investment Management Agreement sets forth the scope of the services to be provided and the compensation we receive from the client for such services. The Investment Management Agreement may be terminated by either party in writing at any time by giving thirty (30) days signed written notice to the other party. The management fee will be prorated to the date of termination. Upon the termination of this Agreement, SDS will have no obligation to recommend or take any action with regard to the securities, cash or other investments in the client's account.

### ***Wealth Consulting and Financial Planning***

SDS provides wealth consulting and financial planning services where an advisor will work with clients to review their current financial position, stated goals and objectives and will make recommendations on how clients can manage their financial resources based on an analysis of their individual needs. The scope of and fee for such services varies according to the complexity of the client's personal, family, business, investment and estate affairs. Recommendations may be in the form of a written financial plan or a verbal consultation based on the type of engagement. The client is under no obligation to act upon the advisor's recommendations. If the client elects to act on any of our recommendations, the client is under no obligation to affect their transactions through our Firm. The areas that SDS may provide support, coordination and facilitation including, but not limited to, the following:

- Strategic Financial Planning
- Investment Research
- Asset Allocation, Manager Selection and Portfolio Construction
- Risk Management
- Asset Protection and Insurance
- Strategic Tax & Compliance Planning
- Business Planning
- Strategic Trust & Estate Planning
- Strategic Philanthropy & Administration

- Family Legacy Planning and Wealth/Investment Education
- Lifestyle Management
- Accounting and Cash Flow Management
- Record Keeping & Reporting

SDS enters into formal written agreements with our clients setting forth the terms and conditions under which we will provide our services (the “Wealth Consulting and Financial Planning Agreement”). The Wealth Consulting and Financial Planning Agreement sets forth the scope of the services to be provided and the compensation we receive from the client for such services. The Wealth Consulting and Financial Planning Agreement may be terminated by either party in writing at any time by giving thirty (30) days signed written notice to the other party. The management fee will be prorated to the date of termination. Upon termination of the Wealth Consulting and Financial Planning Agreement, any earned but unpaid fees will be due and payable.

**Important Note:** It is the client’s responsibility to ensure that SDS is promptly notified if there are ever any significant changes to their financial situation, goals, objectives or needs so we can review our previous recommendations and make any necessary adjustments.

## Item 5 Fees and Compensation

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### ADVISORY FEES

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The following information describes how SDS is compensated for the advisory services we provide to our clients. The specific manner in which fees are charged and the compensation we receive may differ between clients depending upon the individual Investment Management Agreement with each client and the type of client, non-qualified clients versus qualified clients. SDS reserves the right to negotiate our compensation with clients depending on the scope of our advisory relationship, and we may charge higher or lower fees than are available from other firms for comparable services. SDS has the general discretion to waive all or a portion of our fees, but typically only exercises this discretion for our employees.

#### *Investment Management Fees*

**A. Non-Qualified Clients.** Pursuant to the terms of the Investment Management Agreement with the client, SDS charges an annualized fee based on the client’s assets under management (“AUM”), taken monthly in arrears and subject to the following schedule. These fees are negotiable.

AUM	Fee
\$1,000,000 - \$2,000,000	1.25%
\$2,000,001 - \$5,000,000	1.00%
\$5,000,001 - \$20,000,000	0.85%
Above \$20,000,000	0.50%

**B. Qualified Clients.** In consideration for providing investment management services, SDS receives compensation from our **qualified clients** (defined in Item 6 below) based on (i) a

specified percentage of the assets we manage and/or, (ii) performance achieved for the client's account, as described below.

**Only Management Fee (s).** For **qualified clients** who do not wish to be charged a performance fee, pursuant to the terms of the Investment Management Agreement with the client, SDS charges an annualized fee based on the client's AUM, taken monthly in arrears and subject to the following schedule. These fees are subject to specific negotiations with each particular client.

<b>AUM</b>	<b>Fee</b>
\$1,000,000 - \$2,000,000	1.25%
\$2,000,001 - \$5,000,000	1.00%
\$5,000,001 - \$20,000,000	0.85%
Above \$20,000,000	0.50%

**Performance Fee(s).** For **qualified clients** who wish to be charged a performance fee, if agreed upon in writing and pursuant to the terms of the Investment Management Agreement with the client, SDS charges an annualized fee in the range of **0% to 1%** based on the client's AUM, taken monthly in arrears and an additional performance-based profit allocation. Performance-based fees generally is equal to **10% to 15%** of the accounts' net realized and unrealized profits (mark-to-market P&L), subject to a Hurdle/Performance Fee Threshold provision. That is, a client account's net P&L must exceed the Hurdle/Performance Fee Threshold for the performance fee to be assessed on the excess return to the client. The Hurdle/Performance Fee Threshold is the agreed upon blended benchmark for the client account. In addition, the performance fee is subject to High Water Marking and will only be charged if the performance over the prior calendar year and the prior five years is positive and has outperformed the agreed upon blended benchmark. The performance fee is calculated annually based upon the anniversary date of the opening of the clients account. These fees are subject to specific negotiations with each particular client.

Clients may authorize the deduction of the investment management fees from their managed accounts by the qualified custodian Interactive Brokers and choose the method by which our fees will be calculated. Clients may elect to have our asset management fees calculated by our Firm or the qualified custodian and deducted from their accounts, but performance-based fees will be calculated by our Firm. SDS does not withdraw fees directly from client's accounts. The client can make this election when applying for their account at the qualified custodian(s) or at any time or cancel the existing arrangement.

**Additional Fees and Expenses.** Clients will incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or qualified custodian through which account transactions are executed. For more information on our brokerage practices, please refer to Item 12 (Brokerage Practices) of this Brochure.

Fees charged by the external investment managers (Mutual Funds, Exchange Traded Funds, Private Funds) selected by SDS are separate from and in addition to SDS's asset-based fees described above. These fees are set out in each investment manager's investment advisory

agreement or, in the case of mutual funds or private funds in the prospectus or offering memorandum. SDS is responsible for monitoring each relationship and reviewing the fees charged.

To fully understand the total costs associated with their investment portfolio, clients should review all the fees charged by mutual funds, exchange traded funds, private funds, our Firm and others.

### ***Wealth Consulting and Financial Planning Fees***

SDS charges an hourly fee of **\$500** for wealth consulting and financial planning services. Our Wealth Consulting and Financial Planning Fee is invoiced to the Client upon completion and presentation of the Client's financial plan and due to Adviser within thirty (30) days of the invoice date. Financial planning services will be considered complete at the presentation of the final plan in a face-to-face meeting with the client, at which point a physical copy of the plan will also be provided to the client.

**Termination.** The Investment Management Agreement and Wealth Consulting and Financial Planning Agreement with our clients may be terminated by either party at any time upon thirty (30) days written notice. Upon termination of our status as the client's investment adviser, SDS will not take any further action with respect to the client's account(s) unless specifically notified by the client in writing. Clients will be responsible for instructing their custodian and monitoring their account for the final disposition of assets.

**Refunds.** Upon receipt of a proper notice of termination from the client, as described in the Investment Management Agreement or Wealth Consulting and Financial Planning Agreement, any earned unpaid fees will be billed on a pro-rata basis based on the amount of work performed by us up to the point of termination.

**Brokerage Commissions.** SDS does not receive brokerage commissions from the sale of securities or other investment products. Our compensation for recommending securities and investment products is limited to the advisory fees described above.

Any material conflicts of interest between clients and SDS or our employees are reasonably disclosed in this Brochure. If at any time, additional material conflicts of interest develop, SDS will provide our clients with written notification of those material conflicts of interest or an updated Brochure.

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

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### **PERFORMANCE BASED FEES**

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SDS may enter into performance-based fee arrangements with "qualified clients" which includes individuals who have at least \$1,000,000 under the management of SDS or who have a net worth of \$2,000,000 (excluding the value of the person's primary residence). Performance-based fees will only be charged in accordance with provisions of Rule 205-3 under the Advisers Act.



SDS participates in side-by side management, as we manage both accounts that are charged a performance-based fee and accounts that are charged an asset-based fee. Conflicts of interest may occur when we manage these accounts at the same time. For example, we may have an incentive to favor accounts for which we receive a performance-based fee over accounts for which we receive an asset-based fee. To address these potential conflicts and uphold our fiduciary duty to all of our clients, SDS has adopted a compliance manual and a code of ethics to ensure that we treat both types of accounts equally.

## **Item 7 Types of Clients**

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### **TYPES OF CLIENTS**

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SDS offers investment advisory services to clients including individuals, high net worth individuals and other investment advisors. Client relationships may vary in scope and length of service.

Certain investments we recommend such as private funds are available to accredited investors only. Under Rule 506 of Regulation D of the Securities Act, an accredited investor, in the context of a natural person, includes anyone who earned income that exceeded \$200,000 in each of the prior two years or has a net worth over \$1 million excluding the value of the person's primary residence.

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### **ACCOUNT REQUIREMENTS**

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SDS generally requires a minimum account balance of \$1,000,000 for our investment management services. However, SDS in its sole discretion may waive or lower our minimum account balance requirement based on various criteria (i.e., anticipated future additional assets to be managed, related accounts, account composition, negotiations with the client, etc.).

For performance-based fee arrangements, clients must meet the definition of a "qualified client" under Rule 205-3 under the Advisers Act, as described above in response to Item 6.

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

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### **METHODS OF ANALYSIS**

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SDS's investment process is based on analyzing economic and market data to model the economic and business cycles in order to identify investment opportunities.

**Fundamental Analysis.** Fundamental analysis focuses around the idea that at any given time securities have an intrinsic value, which the market will eventually acknowledge. To identify this value, the investor must observe the financial performance. However, fundamental analysts also assess the state of industry and overall economic health.

**Quantitative Analysis.** Quantitative analysis focuses on finding patterns of a security's price movements that's discovered through analysis of price and volume of trades. While fundamental analysis focuses on the intrinsic value, the quantitative analysis evaluates the strength or weakness of a security by reviewing a variety of analytical relative value and price movement indicators.

Our methods rely on the assumption that the entities and whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

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## **INVESTMENT STRATEGIES**

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SDS consults with clients initially and on an ongoing basis to develop an investment strategy that takes into account the client's individual financial landscape and is customized to each client's goals and objectives. This plan is memorialized in an Investment Policy Statement ("IPS") that incorporates an asset allocation strategy that the Firm believes has the highest probability of achieving the client's desired goals while minimizing the necessary market risks. The IPS focuses on issues such as liquidity needs, risk tolerance over time, allowable investment options and implementation strategies. The IPS seeks to clearly articulate the boundaries for a diversified portfolio managed by the Firm.

SDS believes asset allocation is the primary tool for aligning a portfolio's risk and return profile with the client's investment goals. Also, the Firm believes a client's portfolio should be designed and implemented with the goal of consistent performance over business and market cycles without significantly eroding the principal value of the portfolio. While developing and maintaining a long-term strategic asset allocation plan is critical, SDS also believes that it is necessary to take advantage of potential opportunities, such as short-term market dislocations which drive its tactical approach. SDS seeks to identify these opportunities on a regular basis and presents them if it believes they would be appropriate given a particular client's risk tolerance.

Risk management guidelines, as well as asset class and strategy diversification, are used to protect against potentially challenging market conditions. SDS employs quantitative simulation analysis that allows it to illustrate the amount of risk that must be undertaken in order to meet a client's investment objectives. Another way it assesses risk is through the use of multi-scenario "stress tests." These tests provide a sense of how portfolios might be expected to perform in various near-term economic environments and facilitate discussions on whether a client's allocation is appropriate given the range of potential outcomes.

SDS may also use independent alternative investment managers with the goal of increasing diversification and lowering the overall volatility of client portfolios. The Firm researches non-traditional investments including hedge, private equity, venture capital, private real estate and commodities. SDS believes these strategies offer a potential for added value.

SDS provides its clients with a consolidated report on a quarterly basis which provides the total portfolio returns. The estimated performance will be compared to relevant benchmark indices. The report will also include SDS's commentary on the relevant markets.

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## **RISK OF LOSS**

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Any investment carries a certain degree of risk, including a possible loss of principal that clients should be prepared to bear. The value of securities used in all of our strategies may go up or down in response to factors not within our control, such as but not limited to the status of an individual company or government underlying a security, political risk, currency risk or the general economic climate. There is no guarantee that any of the investment strategies that our Firm employs will outperform the investment strategies used by other firms. Past performance is no guarantee of future results.

Securities investments are not guaranteed, and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk. The investment risks described below may not be all-inclusive but should be considered carefully:

**Equity Securities:** Securities can decline in value over short or extended periods as a result of changes in the issuer's financial condition and in overall market, economic and political conditions.

- **Financial Risk:** Excessive use of credit (borrowing) to finance a business' operations increases the risk of profitability, because the company must cover its debt obligations in good and bad years.
- **Business Risks:** The companies identified for investment face a wide variety of operational risks, including competitive threats, regulatory changes, execution challenges, and responses to external changes. For businesses listed on US exchanges, the Securities and Exchange Commission requires companies to disclose the most significant risk factors that could impact the business. However, these disclosures could be incomplete or inaccurate. An assessment of the relevant risk factors for any business could be incomplete or inaccurate. Both unforeseen and known risk factors may transpire, resulting in a deterioration of corporate performance.

**Debt Securities:** Securities can decline in value over short or extended periods as a result of changes in the issuer's financial condition and in overall market, economic and political conditions.

**ETF Investing:** ETFs are subject to risks relating to market trading that include the potential lack of an active market for ETF shares and disruptions in the creation and redemption process. Although ETF shares are listed on a national securities exchange, it is possible that an active trading market in the shares of a particular ETF may not develop or be maintained, particularly during times of severe market disruption. If ETF shares need to be sold when trading markets are not properly functioning, the ETF shares may be sold at a significant discount to their Net Asset Value ("NAV"). An ETF also may be subject to stock market risk, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. In addition, if an ETF's underlying or target index becomes focused in

stocks of a particular market sector, the ETF would have proportionately higher exposure to the risks of that sector.

**Mutual Fund Investing:** Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a funds stated daily per share net asset value (“NAV”), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund’s holdings. The trading prices of a mutual fund’s shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund’s shares trading at a premium or discount to NAV.

**Options:** Options allow investors to buy or sell a security at a contracted “strike” price (not necessarily the current market price) at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge (limit) losses in an attempt to reduce risk or to speculate on the performance of the underlying securities. Options transactions contain several inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase/decrease to the level of the respective strike price. Holders of options contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

**Use of Private Collective Investment Vehicles:** SDS may recommend the investment by certain qualified clients in privately placed collective investment vehicles. The managers of these vehicles will have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments which may be traded and no requirement to diversify. These funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because some of these vehicles are not registered as investment companies, there is an absence of regulation. Private equity fund investments are illiquid. There are numerous other risks in investing in these securities. The client will receive a private placement memorandum and/or other documents explaining such risks.

**Market Risk:** Market Risk is the risk that various factors may affect security prices, including but not limited to monetary & fiscal policies, political developments, natural disasters, wars and terrorist attacks.

**Liquidity Risk:** Liquidity is the ability to convert an investment into cash. Investment assets are usually more liquid when established markets exist to trade those securities. For instance, U.S. Treasury bills and most equity securities have highly developed markets, while tangible property, such as real estate and precious stones, are less liquid. In case of extreme market activity, we may be unable to liquidate investments in thinly traded and relatively illiquid securities promptly if necessary. Also, sales of thinly traded securities could depress the market value of those securities and reduce the investments’ profitability or increase its losses.

**Systemic Risk:** Our Firm relies on the stability of the overall financial system to implement its investment strategy. The security of client assets depends on the solvency of a third-party custodian and brokerage firm, upon which the Firm also relies for prime brokerage and trading services. In

the event of a disruption to the custodian's business or the overall functioning of securities markets, the Firm may be unable to implement its investment strategy and clients may experience a significant or complete loss of their capital.

**Strategy Risk:** The Firm cannot guarantee that its strategy will be implemented at all times, or in full. The Firm has full discretion and a broad mandate, and it may make investments not in keeping with the general description provided in this Brochure. There can be no guarantee that suitable investment opportunities will be available at all times.

**Interim Underperformance:** The long-term and concentrated nature of a strategy means that even if the strategy is "working properly" and the analysis is correct and leads to profitable realized outcomes, clients may experience multi-year periods of significant underperformance relative to market indexes and other investment strategies. This interim underperformance poses a significant risk of permanent capital loss for clients with short time horizons or who require withdrawals from their account.

**Frequent Trading:** Although many of the Firm's investments are long-term in nature, any capital gains due to positions held for less than one year may be taxable at a higher rate. Frequent trading could result in lower returns due to these costs.

**Potential Lack of Diversification:** While diversification is generally a portfolio objective, there is no assurance as to the degree of diversification that a portfolio will actually achieve. Because a substantial portion of a certain account's capital could be invested in a single stock investment, a loss with respect to any single stock investment could have a significant adverse effect on a portfolio's returns. Even if a portfolio achieves significant diversification, such diversification would not necessarily provide meaningful risk control, and may reduce a portfolio's profit potential.

**Management Risk:** The Firm is dependent on the services of its Managing Member. If the Managing Member becomes incapacitated or otherwise unable to continue providing services, the Firm would not be able to continue to implement its strategy and clients could experience a significant or total loss of capital.

**Cybersecurity risk:** It is the risk related to unauthorized access to the systems and networks of SDS Family Office, LLC and its service providers. The computer systems, networks and devices used by SDS and service providers to us and our clients to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks or devices potentially can be breached. A client could be negatively impacted as a result of a cybersecurity breach. Cybersecurity breaches can include unauthorized access to systems, networks or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow or otherwise disrupt operations, business processes or website access or functionality. Cybersecurity breaches may cause disruptions and impact business operations, potentially resulting in financial losses to a client; impediments to trading; the inability by us and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines,

penalties, reputational damage, reimbursement or other compensation costs, or other compliance costs; as well as the inadvertent release of confidential information. Similar adverse consequences could result from cybersecurity breaches affecting issues of securities in which a client invests; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers and other financial institutions; and other parties. In addition, substantial costs may be incurred by those entities in an effort to prevent any cybersecurity breaches in the future.

**Investors should be aware their investment is not guaranteed and understand that there is a risk of loss of value in their investment.**

## **Item 9 Disciplinary Information**

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### **REQUIRED DISCLOSURES**

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Our Firm and our management persons have not been involved in any legal or disciplinary events that would have a material adverse effect on the integrity of our management or the services we provide to our clients.

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

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### **OUTSIDE BUSINESS ACTIVITIES**

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**Peter Sasaki** (CRD#5076572) is the managing member of SDS and is primarily responsible for the Firm's operations and investment decisions. Mr. Sasaki is also a registered securities representative at Odeon Capital Group LLC (CRD# 5076572). Mr. Sasaki dedicates approximately 10 hours a week to his work at Odeon Capital Group LLC. Mr. Sasaki does not refer SDS clients to Odeon Capital Group LLC. Brokerage services provided by Odeon Capital Group LLC are separate and distinct from those provide by our Firm, and our Firm does not use these services. Any compensation for Mr. Sasaki's service at Odeon Capital Group LLC is paid directly to him and our Firm does not receive any portion of this compensation.

**Evan Schwartzberg** (CRD# 4577412) is an executive member, managing director, registered broker agent and general securities principal at Odeon Capital Group (CRD# 148493). Mr. Schwartzberg dedicates up to 5 hours a week outside of U.S. trading hours to SDS. Mr. Schwartzberg does not refer our Firm's clients to Odeon Capital Group. Services provided by Odeon Capital Group are separate and distinct from those provide by our Firm. Any compensation for Mr. Schwartzberg's service at Odeon Capital Group is paid directly to him or Odeon Capital Group, and our Firm does not receive any portion of this compensation.

**Matthew Van Alstyne** (CRD# 5616065) is an executive member, managing director, registered broker agent and general securities principal at Odeon Capital Group (CRD# 148493). Mr. Van Alstyne does not participate in the management or operations of SDS.

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## **AFFILIATED ENTITIES**

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**Odeon Capital Group LLC** (CRD# 148493; SEC# 8-68033) is under common control with our Firm, because Mr. Schwartzberg and Mr. Van Alstyne are also owners of Odeon Capital Group, LLC. Odeon Capital Group is a SEC registered FINRA-member broker-dealer providing institutional sales and trading, research, and investment banking services. Services provided by Odeon Capital Group are separate and distinct from those provided by our Firm. Any compensation for Odeon Capital Group's services is paid directly to Odeon Capital Group, and our Firm does not receive any portion of this compensation.

Odeon Capital Group does not provide brokerage service to or serve as qualified custodian for SDS. Please refer to Item 12 Brokerage Practices and Item 15 Custody of this brochure for more information.

**CGS Capital Advisors LLC** is under common control with our Firm, because Mr. Sasaki is the majority owner of CGS Capital Advisors. CGS Capital Advisors primarily consults with respect to investments for Mr. Sasaki and his family members. Our Firm does not believe Mr. Sasaki's relationship with CGS Capital Advisors creates a material conflict of interest with our clients. Any compensation for Mr. Sasaki's service at CGS Capital Advisors is paid directly to him or CGS Capital Advisors, and our Firm does not receive any portion of this compensation.

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## **OTHER INVESTMENT ADVISERS**

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SDS does not recommend or select other investment advisers for our clients. SDS does not receive compensation directly or indirectly from any other investment advisers that creates a material conflict of interest. SDS does not have any business relationships with other investment advisers that create a material conflict of interest for our clients.

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

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### **CODE OF ETHICS**

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SDS has adopted a Code of Ethics (the "Code") that sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable state and federal securities laws.

SDS and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the Firm's access persons. Among other things, our Code of Ethics also requires the prior

approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

Clients and prospective clients may request a full copy of our Firm's Code of Ethics by contacting our Firm in writing at [peter@sdsfo.com](mailto:peter@sdsfo.com) or calling our Firm at 203-208-9650.

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## **PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS**

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SDS and/or our advisor(s) may invest in the same securities that are recommended to and/or purchased for our clients. Conflicts of interest may arise when SDS has the ability to trade the same securities that recommended to and/or purchased for our clients ahead of executing clients' orders, in favor of SDS. That is because SDS possesses proprietary information as to the positions and volumes of securities in client's accounts. SDS and/or our advisors do not recommend securities to our clients in which SDS and/or our advisors has a material financial interest.

SDS addresses these conflicts in a number of ways, including disclosure of conflicts in this Brochure. In addition, SDS has adopted a compliance manual which establishes a number of restrictions, procedures and disclosures designed to address potential conflicts of interest and to assure that the personal securities transaction, activities and interests of SDS and/or our advisors will not interfere with our ability to make investment decisions in the best interest of our clients.

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## **PERSONAL TRADING**

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SDS maintains and enforces written policies and procedures reasonably designed to prevent the misuse of material non-public information by our Firm or any access persons of our Firm with regards to their personal securities transactions. Personal trading activities are continually monitored to reasonably prevent conflicts of interest.

## **Item 12 Brokerage Practices**

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### **SELECTION OF BROKER-DEALERS**

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Securities transactions are generally executed through Interactive Brokers, LLC. ("Interactive Brokers"), member FINRA/SIPC/NYSE. Interactive Brokers maintains custody of our clients' assets and effect securities transactions for our investment management clients' accounts. SDS is independently owned and operated and is not affiliated with or a related person of Interactive Brokers. SDS also provides advisory services to clients who custody their assets with Hilltop Securities Inc. or Charles Schwab & Co., Inc.

SDS considers a number of factors prior to recommending a particular broker-dealer to our clients, including but not limited to, their familiarity with the securities to be sold or purchased, their execution skills, order-flow capabilities, their commission rates or other fee schedules, their custodial services, their level of net capital (financial strength) and excess SIPC and other insurance coverage. The commissions charged by Interactive Brokers are competitive with similarly situated retail broker-dealers offering the same variety of securities to clients. Clients are advised, however, that they may be able to effect transactions in securities through other broker-



dealers at lower commission rates, particularly with respect to securities listed on a national securities exchange or in the over-the-counter market.

**Research and Other Soft Dollar Benefits.** SDS does not participate in soft-dollar arrangements with Interactive Brokers. SDS does not participate in any commission-sharing arrangements or receive soft dollar credits. While the benefits we receive from Interactive Brokers do not depend on the amount of brokerage transactions directed to Interactive Brokers, as a fiduciary we are required to disclose that there is an inherent conflict of interest when our Firm recommends that clients maintain their assets at Interactive Brokers. These recommendations may be based in part on the benefits we receive from Interactive Brokers, such as the availability of the abovementioned products and services, and not solely on our clients' interest in receiving most favorable execution. Nonetheless, we seek to ensure that the securities transactions effected for our clients represent the best qualitative execution, not just the lowest possible cost.

Our Firm routinely compares order execution disclosure information at Interactive Brokers to other broker-dealers to ensure that Interactive Brokers remains competitive in providing best execution for our clients' securities transactions. Although the brokerage commissions and/or transaction fees charged by Interactive Brokers may be higher or lower than those charged by other broker-dealers, in seeking best execution for our clients our Firm strives to ensure that our clients pay brokerage commissions and/or transactions fees which we have determined, in good faith, to be reasonable in relation to the value of the brokerage and other services provided by Interactive Brokers.

**Brokerage for Client Referrals.** SDS does not consider broker-dealer or third-party referrals in selecting or recommending broker-dealers to our clients as this would create a conflict of interest.

**Directed Brokerage.** While SDS may recommend that clients direct transactions through certain broker-dealers, we do not have discretionary authority to determine the broker-dealer to be used for the purchase or sale of securities for client accounts or the commission rates paid to a broker-dealer for client securities transactions.

In rare cases, SDS may utilize other broker-dealers when requested by the client. Clients of SDS must be aware that if they direct us to use a particular broker-dealer that it may limit our ability to achieve best execution or limit their participation in block trading. As a result, clients may pay higher commissions, have higher transaction costs, or receive less favorable prices. In situations where the client directs us to effect their transactions through a particular broker-dealer, we require such directions to be in writing.

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## TRADE AGGREGATION

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As a matter of policy and practice, SDS does not generally aggregate, or "block" client trades and, therefore, we implement client transactions separately for each account. Consequently, certain client trades may be executed before others, at a different price and/or commission rate. Additionally, our clients may not receive volume discounts available to advisers who block client trades.

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## **TRADE ERRORS**

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From time to time, our Firm may make a trade error when servicing a client's account. When this occurs, we will correct the trade as soon as we discover the error. Trading errors will be corrected at no cost to clients. In most cases, we will correct trade errors via our executing broker-dealer's trade error desk. If there is a cost associated with this correction, such cost is borne by SDS and not the client. Note that we do not credit accounts for market losses unrelated to our error.

## **Item 13 Review of Accounts**

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### **ACCOUNT REVIEWS**

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SDS conducts account reviews on at least a quarterly ongoing basis for clients subscribed to our investment management services. The frequency of the review depends upon a variety of factors such as: the client's risk profile, activity in the account, economic and market conditions, and the client's preferences, if any. Additional reviews may be triggered by changes in the investment objectives or guidelines for a particular client or specific arrangements with the client.

Accounts are reviewed in the context of the investment objectives and guidelines of each model portfolio as well as any investment restrictions provided by the client. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment. These accounts are reviewed by Mr. Sasaki.

Formal client review meetings are generally conducted on a regular basis at intervals mutually agreed upon by the advisor and the client, but no less than quarterly. During these reviews, any changes in the client's investment objectives are discussed so we can review our previous recommendations and make any necessary adjustments.

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### **ACCOUNT REPORTS**

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Those clients to whom SDS provides investment management services receive at least quarterly reports from our Firm summarizing their account(s) and investment results. Reports may be furnished in writing or electronically as requested by the client. Clients are urged to compare the account statements they receive from their qualified custodian to any written reports received from our Firm.

Clients have direct and continuous access to their account information and related documents via the password-protected website of the qualified custodian with which their accounts are held.

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

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### **CLIENT REFERRALS**

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SDS may directly compensate non-employee (outside) consultants, individuals, and/or entities (Solicitors) for client referrals. In order to receive a cash referral fee from our firm, Solicitors must comply with Rule 206(4)-3 of the Advisors Act and any requirements of the jurisdictions in which they operate. If a client is referred to our firm by a Solicitor, the client should receive a copy of this Brochure along with the Solicitor's disclosure statement at the time of the referral. The Solicitor that refers clients to our firm will receive either a percentage of the advisory fee clients pay to our Firm for as long as the client is with our Firm, or until such time as our agreement with the Solicitor expires, or a one-time, flat referral fee upon the client signing an advisory agreement with our Firm. Clients will not pay additional fees because of this referral arrangement. Referral fees paid to a Solicitor are contingent upon the prospective client entering into an advisory agreement with our Firm. Therefore, a Solicitor has a financial incentive to recommend our Firm to prospective clients for advisory services regardless of their investment objectives or financial situations. This creates a conflict of interest; however, prospective clients are not obligated to retain our Firm for advisory services. Comparable services and/or lower fees may be available through other firms.

It is our Firm's policy not to compensate clients for referring potential clients to our Firm, unless the client can be considered a solicitor and satisfies requirements under Rule 206(4)-3 of the Advisers Act or similar state rules regarding solicitation arrangements before a cash referral fee could be paid to them. The cash referral fee paid to the client solicitor will not offset his or her advisory fees owed to us, as his or her referral activity is separate and distinct from the services provided by our Firm.

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## **OTHER COMPENSATION**

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SDS does not receive an economic benefit from anyone who is not a client in exchange for our provision of investment advice or other advisory services.

## **Item 15 Custody**

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### **CUSTODY OF CLIENT FUNDS AND SECURITIES**

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SDS does not have custody of clients' funds or securities. Interactive Brokers is the qualified custodian and maintains custody of client funds in separate brokerage account(s) for each client under the client's name. SDS personnel may assist the client in preparing paperwork to open a new brokerage account at Interactive Brokers, but only the client is permitted to authorize, by their signature, the opening of the account. Interactive Brokers sends an account-opening letter to each client at their physical mailing address after the account is approved.

Clients can access daily, monthly and annual account statements as well as daily trade confirmations through a password protected portion of Interactive Brokers' website, [www.interactivebrokers.com](http://www.interactivebrokers.com). Clients should also expect to receive quarterly account summaries from the qualified custodian by first-class mail. Clients should carefully review the account statements and summaries received from the qualified custodian(s) and compare such official custodial statements to any account reports provided by SDS. Any client that does not receive an

account statement or summary from the qualified custodian should call our Firm immediately so that we can arrange to have another statement sent by the custodian.

Clients can also access information concerning their account(s) and access (and generally change) the settings for their brokerage account online on the Interactive Brokers website at [www.interactivebrokers.com](http://www.interactivebrokers.com).

## **Item 16 Investment Discretion**

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### **DISCRETIONARY AUTHORITY**

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SDS manages client securities portfolios on a discretionary basis. SDS is granted limited discretionary authority in writing by the client at the outset of the advisory relationship. This limited discretionary authorization gives SDS the authority to manage the client's investment assets at our Firm's sole discretion and without consulting with the client in advance, subject to the investment objectives, guidelines and restrictions set by the client. This authorization will remain in full force and effect until we receive a written termination notice of the Investment Management Agreement from the client.

SDS does not have discretionary authority to determine what broker-dealer to use or the amount of commissions that are charged by the broker-dealer or custodian.

In addition, we may manage client accounts on a non-discretionary basis. Specifically, we make recommendations to clients, but we will not purchase or sell securities for the client's account, submit aggregated trader orders for the client and others in order to obtain best execution, or give instructions concerning these transactions to the qualified custodian with which the clients' account without first receiving consent from clients.

## **Item 17 Voting Client Securities**

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### **AUTHORITY TO VOTE CLIENT PROXIES**

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SDS does not accept authority from clients with respect to voting of proxies solicited by, or with respect to, the issuers of any securities held in client portfolios. The qualified custodian(s) holding clients' assets will send all such proxy documents it receives to the client so that the client may take whatever action the client deems appropriate. SDS does not offer clients any consulting assistance regarding proxy issues. Clients will receive their proxies or other solicitation directly from their custodian or a transfer agent. Clients may not contact us with questions about a particular solicitation.

## **Item 18 Financial Information**

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### **REQUIRED DISCLOSURES**

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SDS does not require or solicit prepayment of more than \$1200 in fees per client, six months of more in advance. SDS receives limited discretionary authority to manage the client's investment assets. However, SDS has no financial commitments that would impair our Firm's ability to meet our contractual and fiduciary commitments to our clients and has not been the subject of a bankruptcy proceeding.

