

# **Lebenthal Global Advisors, LLC**

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## **Disclosure Brochure**

**March 20, 2023**

This brochure provides information about the qualifications and business practices of Lebenthal Global Advisors, LLC ("Lebenthal"). If you have any questions about the contents of this brochure, please contact us at 516-785-1800 or [tkatovitz@lebenthal.com](mailto:tkatovitz@lebenthal.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 authority.

Lebenthal is an investment advisor registered with the SEC. Registration of an investment advisor does not imply any level of skill or training.

Additional information about Lebenthal also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since the filing of our last annual updating amendment, dated March 24, 2022 we have the following material change:

- We removed a firm from our list of affiliated firms. Please refer to Item 9 for further details.

A copy of our current brochure may be requested by contacting Thomas Katovitz at 516-785-1800 or [tkatovitz@lebenthal.com](mailto:tkatovitz@lebenthal.com). We will provide you with a copy of our current brochure at any time without charge.

Information about your Advisory Representative may be found in the supplements to our brochure.

*Lebenthal Global Advisors, LLC*  
*CRD Number 283303*

## Item 3 Table Of Contents

Item 1 Cover Page	Page 1
Item 2 Material Changes	Page 2
Item 3 Table Of Contents	Page 3
Item 4 Advisory Business	Page 4
Item 5 Fees and Compensation	Page 8
Item 6 Performance-Based Fees	Page 11
Item 7 Types of Clients	Page 11
Item 8 Methods of Analysis, Investment Strategies & Risk of Loss	Page 12
Item 9 Disciplinary Information	Page 17
Item 10 Other Financial Industry Activities and Affiliations	Page 17
Item 11 Code of Ethics; Participation or Interest in Client Transactions and Personal Trading	Page 19
Item 12 Brokerage Practices	Page 19
Item 13 Review of Accounts	Page 21
Item 14 Client Referrals and Other Compensation	Page 22
Item 15 Custody	Page 22
Item 16 Investment Discretion	Page 23
Item 17 Voting Client Securities	Page 24
Item 18 Financial Information	Page 24
Item 19 Requirements for State-Registered Advisers	Page 24
Item 20 Additional Information	Page 24

## Item 4 Advisory Business

Lebenthal Global Advisors, LLC is a federally registered investment adviser primarily based in Hauppauge, New York. We are organized as a Limited Liability Company organized under the laws of the State of New York. Dominick Tavella is the President and principal owner. Michael Hartzman is the Vice President. LGA has been providing investment advisory services since May 2017.

As used in this brochure, the words "we," "our," "us" and "LGA" refer to Lebenthal Global Advisors, LLC and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm. Also, you may see the term Associated Person in this brochure. Our Associated Persons are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm.

Our Services include:

- Portfolio Management through either our wrap or non-wrap program
- Selection of Other Advisers - *Third Party Investment Management Advisory Services*
- Financial Planning/Consulting

### Portfolio Management Services

We offer discretionary and non-discretionary portfolio management services. Our investment advice is tailored to meet our clients' needs and investment objectives. If you retain our firm for portfolio management services, we will meet with you to determine your investment objectives, risk tolerance, and other relevant information at the beginning of our advisory relationship. We will use the information we gather to develop a strategy that enables our firm to give you continuous and focused investment advice and/or to make investments on your behalf. As part of our investment management services, we may customize an investment portfolio for you according to your risk tolerance and investing objectives. We may also invest your assets using one or more model portfolios developed by our firm or developed by affiliated or unaffiliated portfolio managers. Once we construct an investment portfolio for you, or select a model portfolio, we will monitor your portfolio's performance on an ongoing basis, and will rebalance the portfolio as required by changes in market conditions and in your financial circumstances.

If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm and the appropriate trading authorization forms.

You may limit our discretionary authority (for example, limiting the types of securities that can be purchased or sold for your account) by providing our firm with your restrictions and guidelines in writing.

As part of our discretionary portfolio management services, we may use one or more sub-advisers to manage a portion of your account on a discretionary basis. The sub-adviser(s) may use one or more of their model portfolios to manage your account. We will regularly monitor the performance of your accounts managed by sub-adviser(s), and may hire and fire any sub-adviser without your prior approval. We may pay a portion of our advisory fee to the sub-adviser(s) we use; however, you will not pay our firm a higher advisory fee as a result of any sub-advisory relationships.

Additionally, we also offer non-discretionary portfolio management services. If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account. You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

We rely upon you to notify us of any changes in your objectives, goals and risk tolerances, as well as any other material changes in your personal circumstances (such as your employment, marital status, financial condition, etc.). These changes may require changes in your investment account and the investment strategies employed.

### **Wrap Fee Program**

We also offer discretionary and non-discretionary portfolio management services through the Lebenthal Global Advisors ("LGA") Wrap Fee Program. We are both a portfolio manager to and the sponsor of a wrap fee program, which is a type of investment program that provides clients with portfolio management services for a single fee that includes administrative fees, management fees, and commissions. If you participate in our wrap fee program, you will pay our firm a single fee, which includes our money management fees, certain transaction costs, and custodial and administrative costs. We receive a portion of the wrap fee for our services. The overall cost you will incur if you participate in our wrap fee program may be higher or lower than you might incur by separately purchasing the types of securities available in the program. We do not manage wrap fee accounts in a manner that differs from how we manage non-wrap fee accounts.

Transactions for your account will be executed through our affiliate, Lebenthal Financial Services, LLC ("LFS"), Raymond James & Associates, Inc., or Schwab Advisor Services division of Charles Schwab & Co., Inc. ("Schwab"); all are securities broker-dealers and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. The specific broker-dealer and custodian will be named in the Program agreement. In certain cases, clients may direct that transactions for the client's Program Account be executed through an unaffiliated broker-dealer named by the client in the Program Agreement. To compare the cost of the wrap fee program with non-wrap fee portfolio management services, you should consider the frequency of trading activity associated with our investment strategies and the brokerage commissions charged by other broker-dealers, and the advisory fees charged by investment advisers. For more information concerning the Wrap Fee Program, see *Appendix I* to this Brochure; a copy of which is available upon request.

### **Selection of Other Advisers - Third Party Investment Management Advisory Services**

As referenced in the *Portfolio Management* section above, we may use one or more sub-advisers to manage all, or a portion of, your investment portfolio. After gathering information about your financial situation and objectives, we may choose to utilize a specific TPMM and/or investment program to manage your investment portfolio. Factors that we take into consideration when utilizing sub-advisers include, but are not limited to, the following: the TPMM's performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. We will monitor the TPMM(s)' performance to ensure its management and investment style remains aligned with your investment goals and objectives.

We recommend both affiliated and non-affiliated TPMM(s). For more information regarding our affiliate TPMM, refer to Item 10, *Other Financial Industry Activities and Affiliations*. Upon selecting a TPMM, we will provide the respective TPMM's disclosure brochure which will more fully describe the recommended program.

The TPMM(s) will actively manage your portfolio and will assume discretionary investment authority over your account. We will assume discretionary authority to hire and fire TPMM(s) and/or reallocate your assets to other TPMM(s) where we deem such action appropriate. We will meet with you no less than annually to discuss the performance of your investments and update your financial information.

You should notify us promptly if there are any changes in your financial situation or investment objectives or if you wish to impose any reasonable restrictions upon the management of your account.

### **Assets Under Management**

As of December 31, 2022, we provide continuous management services for \$617,425,770 in client assets on a discretionary basis (where we made all the investment decisions) and \$20,000,000 in client assets on a non-discretionary basis (where clients made the investment decisions based upon our recommendations).

### **Pension Consulting Services**

We offer pension consulting services to employee benefit plans and their fiduciaries based upon the needs of the plan and the services requested by the plan sponsor or named fiduciary. In general, these services may include an existing plan review and analysis, plan-level advice regarding fund selection and investment options, education services to plan participants, investment performance monitoring, and/or ongoing consulting. These pension consulting services will generally be non-discretionary and advisory in nature. The ultimate decision to act on behalf of the plan shall remain with the plan sponsor or other named fiduciary.

We may also assist with participant enrollment meetings and provide investment-related educational seminars to plan participants on such topics as: diversification; asset allocation; risk tolerance; and time horizon.

Our educational seminars may include other investment-related topics specific to the particular plan.

We may also provide additional types of pension consulting services to plans on an individually negotiated basis. All services, whether discussed above or customized for the plan based upon requirements from the plan fiduciaries (which may include additional plan-level or participant-level services) shall be detailed in a written agreement and be consistent with the parameters set forth in the plan documents.

### **Financial Planning**

The financial plan that Lebenthal prepares usually includes one of two key elements:

#### **1. An Analysis of Current Investments.**

The Advisory Representative analyzes current investments using research from Morningstar Advisors and FI360. In this case, our representative does not make investment recommendations or assume control of the investments. This is simply an analysis and commentary on the current portfolio.

#### **2. A Retirement Plan Summary.**

This analysis considers retirement goals, current assets, risk tolerance, rates of return, family history, other assets and years to retirement. An Advisory Representative of the firm first conducts an initial consultation to collect pertinent information about the client's current financial status, future goals, and attitude towards risk. Once the Advisory Representative has reviewed and analyzed the information provided, the representative will create and present a financial plan, designed to help the client achieve his stated financial goals and objectives.

In general, a financial plan will address the following areas as applicable to the client:

- **PERSONAL:** Family records, budgeting, personal liability, estate information, and financial goals.
- **TAX & CASH FLOW:** Income tax and spending analysis and planning for past, current and future years. We will illustrate the impact of various investments on a client's current income tax and future tax liability.
- **DEATH & DISABILITY:** Cash needs at death, income needs of surviving dependents, estate planning and disability income analysis.
- **RETIREMENT:** Analysis of current strategies and investment plans to help the client achieve his or her retirement goals.
- **INVESTMENTS:** Analysis of investment alternatives and their effect on a client's portfolio.

In addition to the aforementioned services, we provide advice on non-securities matters, such as estate planning, insurance and/or annuities.

Lebenthal bases its financial plans on the client's financial situation at the time the plan is presented, using the financial information the client discloses to us. The firm advises clients that in creating a financial plan, we may use certain assumptions with respect to interest and inflation rates and past trends and performance of the market and economy. Past performance is in no way an indication of future results. We cannot offer any guarantees or promises that the client's financial goals and objectives will be met.

Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to us. You must promptly notify our firm if your financial situation, goals, objectives, or needs change.

You are under no obligation to act on our financial planning recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan through any of our other investment advisory services. Moreover, you may act on our recommendations by placing securities transactions with any brokerage firm.

NOTE: Certain Advisory Representatives are registered representatives of Lebenthal Financial Services, Inc. ("LFS") a registered broker-dealer affiliated with Lebenthal Global Advisors ("LGA") through common control and ownership. The recommendations made in financial plans may include products offered through LFS. If a product is not offered through LFS, we may recommend other such companies offering the product.

### **Types of Investments**

We primarily offer advice on mutual funds, and ETF's. Refer to the *Methods of Analysis, Investment Strategies and Risk of Loss* below for additional disclosures on this topic.

Additionally, we may advise you on various types of investments based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

Since our investment strategies and advice are based on each client's specific financial situation, the investment advice we provide to you may be different or conflicting with the advice we give to other clients regarding the same security or investment.

### **IRA Rollover Recommendations**

Effective December 20, 2021 (or such later date as the US Department of Labor ("DOL") Field Assistance Bulletin 2018-02 ceases to be in effect), for purposes of complying with the DOL's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02") where applicable, we are providing the following acknowledgment to you. When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

We benefit financially from the rollover of your assets from a retirement account to an account that we manage or provide investment advice, because the assets increase our assets under management and, in turn, our advisory fees. As a fiduciary, we only recommend a rollover when we believe it is in your best interest.

## Item 5 Fees and Compensation

Our Services are offered on a fee only basis. Fees for our wrap fee program are described in the *Lebenthal Global Advisors Program Brochure* (the *Appendix I*) which is available upon request.

### Fees and Portfolio Management Services

Our annual fee for portfolio management services varies depending upon the market value of your assets under our management, the type and complexity of the asset management services provided, as well as the level of administration requested either directly or assumed by the client. Our portfolio management fee is made up of an advisory fee and a platform fee, both of which are negotiable and will be memorialized in the advisory agreement you enter into with us.

The maximum advisory fee that can be assessed is 2.00% and the maximum platform fee that can be assessed is 0.40%. Thus, the maximum Program fee that you could ever be charged is 2.40%. However, our clients are typically charged a total Program fee that ranges between 1.25% and 1.75%. Assets in each of your account(s) are included in the fee, unless excluded by written acknowledgement.

Depending on the asset value of your account(s), our portfolio management fee will be assessed either on a single flat fee basis or on a blended tiered fee basis; whichever is most favorable to you. Accounts with a value of \$800,000 or less, will typically be charged a single flat fee basis. Accounts with a value of more than \$800,000 will typically be charged on a blended tiered fee basis. For a better understanding of a flat fee basis and a blended fee basis, please see the examples below. Please note these examples are for illustrative purposes only.

*For Illustrative Purposes Only*  
*(All agreed upon fee schedules will be provided in the Advisory Agreement)*

A flat fee basis is when a single fee rate is assessed against the total value of your account. For example, an account with a balance of \$500,000 would pay a 1.25% (1.00% advisory fee + 0.25% platform fee) on the entire balance of \$500,000. When assessing a fee on blended tiered basis, different fee rates will be applied to different asset tiers. Using the same 1% advisory fee cited in the example above, an account containing a balance of \$1,000,000 would pay 1.40% on the first \$100,000 of the client's account balance; 1.35% on the next \$150,000 of the client's balance; 1.25% on the next \$250,000 of the client's balance; and 1.15% on the remaining \$500,000 of the account balance.

Our annual portfolio management fee is billed and payable, quarterly in advance, based on the balance of your account at end of the previous billing period. If the portfolio management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client.

Broker-dealers and other financial institutions that hold investment accounts for advisory clients are referred to as custodians. Your custodian will determine the value of the assets in your account.

We charge our investment management fees in advance, meaning that we charge our fees before we have provided our services to you. Our initial fee will be calculated on the day your assets are invested, either partially or in whole. The amount of the fee will be calculated based on the number of days remaining in that quarter.

Should either one of us terminate the advisory agreement we have entered before the end of a billing period, any unearned fees that were deducted from your account will be returned to you by us. The amount refunded to you is calculated by dividing the most recent advisory fee you paid by the total of number of days in the quarter. This



daily fee is then multiplied by the number of calendar days in the quarter that our agreement was in effect. This amount, which equals the amount we earned for the partial quarter, is subtracted from the total fee you paid in advance to determine your refund.

We require that you authorize us in writing to direct your custodian to pay our investment advisory fees directly to us by charging your account. This authorization is set forth in the investment advisory agreement you will execute to retain our services.

Your custodian will provide you with statements that show the amount of the advisory fees paid directly to us. Your custodian does not verify the accuracy of our fee calculations so please review your statements carefully.

Our fees may be higher or lower than the fees charged by other advisors for similar services.

In addition to our fee, you may be required to pay other charges related to your account(s) such as:

- custodial fees;
- brokerage commissions;
- transactions fees;
- internal fees and expenses charged by mutual funds, ETFs and variable annuities;
- fees charged by third party money managers;
- maintenance and termination fees for IRAs, certain retirement and qualified accounts; and
- other fees and taxes on brokerage accounts and securities transactions.

None of these fees are paid to or shared with us. However, our affiliate, Lebenthal Financial Services, will receive compensation from charges against your account if you choose to open your account with Raymond James & Associates, Inc. ("Raymond James").

Mutual fund companies, ETFs, and variable annuity issuers charge internal fees and expenses for their products. These fees and expenses are in addition to any advisory fees charged by us. Complete details of these internal fees and expenses are explained in the prospectuses for each investment.

Lebenthal Financial Services will receive payments from certain mutual funds (including money market funds) pursuant to a 12b-1 distribution plan, or other such plan, as compensation for distribution or administrative services. These payments are distributed from the fund's total assets. These fee arrangements will be disclosed upon request of a client and are available in the applicable fund's prospectus. Thus, the Advisory Representative has an incentive to recommend LFS as a broker-dealer for a client's account.

If you purchase mutual fund shares through the custodian, you may pay a transaction fee that would not be charged if the transaction were made directly through the mutual fund company. Also, mutual funds held in accounts at brokerage firms may charge internal fees that are different from mutual funds held at the mutual fund company.

You may purchase shares of mutual funds directly from the mutual fund company without a transaction fee. Those investments, however, will not be part of our advisory relationship with you. This means that they will not be included in our investment strategies, investment performance monitoring, or investment reallocations.

When investing in exchange traded products ("ETP"), e.g. ETF and ETN, a client will bear the ETP's proportionate share of fees and expenses as an investor in the ETP. The client does not pay these fees directly; rather they are deducted from the ETP's assets and will affect the performance of the investment.

Please be sure to read the section entitled "Brokerage Practices," which follows later in this brochure.

**Selection of Other Advisers - *Third-Party Investment Management Services***

As discussed in the *Advisory Business* section above, we may use one or more sub-advisers to manage all or a portion of your account on a discretionary basis. The sub-adviser(s) may use one or more of their model portfolios to manage your account. We will regularly monitor the performance of your accounts managed by sub-adviser(s), and may hire and fire any sub-adviser without your prior approval. We will pay a portion of our advisory fee to the sub-adviser(s) we use; however, you will not pay our firm a higher advisory fee as a result of any sub-advisory relationships.

The authority to hire and fire sub-advisers on your behalf is granted in the discretionary agreement you enter into with us. If you do not wish to grant us with this authority, you can always enter into a non-discretionary agreement with our firm.

**Pension Consulting Services**

Our advisory fees for these customized services will be negotiated with the plan sponsor or named fiduciary on a case-by-case basis.

Either party to the pension consulting agreement may terminate the agreement upon written notice to the other party in accordance with the terms of the agreement for services. The pension consulting fees will be prorated for the quarter in which the termination notice is given and any unearned fees will be refunded to the client.

**Financial Planning and Consulting Services**

Lebenthal will calculate its financial planning fees beginning with an assessment of the extent and complexity of the individual client's personal circumstances.

Clients who want only a financial plan and do not intend to use LFS for implementation of the plan and ongoing asset management will pay a fee that typically will range from \$1,000 - \$3,000 per plan. The Advisory Representative and client will agree upon the fee prior to entering into the financial planning agreement. Our Advisory Representative will state the fee to the client before any work begins. Both the analysis and retirement plan summary require at least two meetings with the client and 4-5 hours to complete. Payment is due once the plan or the analysis is complete. In limited circumstances, Lebenthal may require a minimum fee as low as \$100. Financial planning fees are negotiable in certain circumstances and arrangements with any particular client may differ from those described above.

Clients who wish to have us implement a financial plan by creating or modifying an existing portfolio and managing it on an on-going basis will pay a fee of \$300 - \$1,500. We may waive this fee at our sole discretion.

On-going financial planning services may be charged based as a percentage of the value of your investment account. The way you are charged and the amount you will be charged will be negotiated with you and described in your investment advisory agreement.

You may terminate the financial planning agreement upon written notice to our firm. If you have pre-paid financial planning fees that we have not yet earned, you will receive a prorated refund of those fees. If financial planning fees are payable in arrears, you will be responsible for a prorated fee based on services performed prior to termination of the financial planning agreement.

**Additional Fees and Expenses**

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account

transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, refer to the *Brokerage Practices* section of this brochure.

### **Compensation for the Sale of Securities or Other Investment Products**

Certain persons providing investment advice on behalf of our firm are registered representatives with Lebenthal Financial Services, Inc. ("LFS") or other unaffiliated securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. In their capacity as registered representatives, these persons receive compensation in connection with the purchase and sale of securities or other investment products, including asset-based sales charges, service fees or 12b-1 fees, for the sale or holding, of mutual funds. Compensation earned by these persons in their capacities as registered representatives is separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice to advisory clients on behalf of our firm who are registered representatives have an incentive to recommend investment products based on the compensation received rather than solely based on your needs. Persons providing investment advice to advisory clients on behalf of our firm can select or recommend, and in many instances will select or recommend, mutual fund investments in share classes that pay 12b-1 fees when clients are eligible to purchase share classes of the same funds that do not pay such fees and are less expensive. This presents a conflict of interest. You are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with our firm who receives compensation described above.

Certain persons providing investment advice on behalf of our firm are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. You are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

### **Item 6 Performance-Based Fees**

We do not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of a capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Our fees are calculated as described in the *Fees and Compensation* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

### **Item 7 Types of Clients**

We provide advisory services primarily to individuals, high net-worth individuals and their families, including their trusts, estates and retirement accounts. We also provide services to small businesses, including their pension and profit sharing plans.

We do not impose a minimum investment account size to start and maintain an advisory relationship with us. However, we have the right to terminate your Account if it falls below a minimum size which, in our sole opinion, is too small to manage effectively.

The minimum account sizes by third-party asset managers are described in their respective disclosure brochures.

## Item 8 Methods of Analysis, Investment Strategies & Risk of Loss

### Our Methods of Analysis and Investment Strategies

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

**Charting Analysis** - involves the gathering and processing of price and volume pattern information for a particular security, sector, broad index or commodity. This price and volume pattern information is analyzed. The resulting pattern and correlation data is used to detect departures from expected performance and diversification and predict future price movements and trends.

**Risk:** Our charting analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

**Technical Analysis** - involves studying past price patterns, trends and interrelationships in the financial markets to assess risk-adjusted performance and predict the direction of both the overall market and specific securities.

**Risk:** The risk of market timing based on technical analysis is that our analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

**Fundamental Analysis** - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company and its industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.

**Risk:** The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

**Cyclical Analysis** - a type of technical analysis that involves evaluating recurring price patterns and trends. Economic/business cycles may not be predictable and may have many fluctuations between long-term expansions and contractions.

**Risk:** The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

**Modern Portfolio Theory** - a theory of investment which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully diversifying the proportions of various assets.

**Risk:** Market risk is that part of a security's risk that is common to all securities of the same general class (stocks and bonds) and thus cannot be eliminated by diversification.

**Long-Term Purchases** - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

**Risk:** Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial information, liquidity needs and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio. **It is important that you notify us immediately with respect to any material changes to your financial circumstances, including for example, a change in your current or expected income level, tax circumstances, or employment status.**

### **Tax Considerations**

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional regarding the investing of your assets.

Custodians and broker-dealers must report the cost basis of equities acquired in client accounts. Your custodian will default to the First-In First-Out ("FIFO") accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

### **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

### **Other Risk Considerations**

When evaluating risk, financial loss may be viewed differently by each client and may depend on many different risks, each of which may affect the probability and magnitude of any potential losses. The following risks may not be all-inclusive, but should be considered carefully by a prospective client before retaining our services.

**Liquidity Risk:** The risk of being unable to sell your investment at a fair price at a given time due to high volatility or lack of active liquid markets. You may receive a lower price or it may not be possible to sell the investment at all.

**Credit Risk:** Credit risk typically applies to debt investments such as corporate, municipal, and sovereign fixed income or bonds. A bond issuing entity can experience a credit event that could impair or erase the value of an issuer's securities held by a client.

**Inflation and Interest Rate Risk:** Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of a client's future interest payments and principal. Inflation also generally leads to higher interest rates which may cause the value of many types of fixed income investments to decline.

**Horizon and Longevity Risk:** The risk that your investment horizon is shortened because of an unforeseen event, for example, the loss of your job. This may force you to sell investments that you were expecting to hold for the long term. If you must sell at a time that the markets are down, you may lose money. Longevity Risk is the risk of outliving your savings. This risk is particularly relevant for people who are retired, or are nearing retirement.

### **Recommendation of Particular Types of Securities**

We primarily recommend mutual funds and exchange traded funds (ETF). However, we may advise on other types of investments as appropriate for you since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with the investment.

**Mutual Funds and Exchange Traded Funds:** Mutual funds and exchange traded funds ("ETF") are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. ETFs differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely whereas "closed end" funds have a fixed number of shares to sell which can limit their availability to new investors.

ETFs may have tracking error risks. For example, the ETF investment adviser may not be able to cause the ETF's performance to match that of its Underlying Index or other benchmark, which may negatively affect the ETF's performance. In addition, for leveraged and inverse ETFs that seek to track the performance of their Underlying Indices or benchmarks on a daily basis, mathematical compounding may prevent the ETF from correlating with performance of its benchmark. In addition, an ETF may not have investment exposure to all of the securities included in its Underlying Index, or its weighting of investment exposure to such securities may vary from that of the Underlying Index. Some ETFs may invest in securities or financial instruments that are not included in the Underlying Index, but which are expected to yield similar performance.

**Money Market Funds:** A money market fund is technically a security. The fund managers attempt to keep the share price constant at \$1/share. However, there is no guarantee that the share price will stay at \$1/share. If the share price goes down, you can lose some or all of your principal. The U.S. Securities and Exchange Commission ("SEC") notes that "While investor losses in money market funds have been rare, they are possible." In return for this risk, you should earn a greater return on your cash than you would expect from a Federal Deposit Insurance Corporation ("FDIC") insured savings account (money market funds are not FDIC insured). Next, money market fund rates are variable. In other words, you do not know how much you will earn on your investment next month. The rate could go up or go down. If it goes up, that may result in a positive outcome. However, if it goes down and you earn less than you expected to earn, you may end up needing more cash. A final risk you are taking with money market funds has to do with inflation. Because money market funds are considered to be safer than other investments like stocks, long-term average returns on money market funds tends to be less than long term average returns on riskier investments. Over long periods of time, inflation can eat away at your returns.

**Certificates of Deposit:** Certificates of deposit ("CD") are generally a safe type of investment since they are insured by the Federal Deposit Insurance Company ("FDIC") up to a certain amount. However, because the returns are generally low, there is risk that inflation outpaces the return of the CD. Certain CDs are traded in the market place and not purchased directly from a banking institution. In addition to trading risk, when CDs are purchased at a premium, the premium is not covered by the FDIC.

**Municipal Securities:** Municipal securities, while generally thought of as safe, can have significant risks associated with them including, but not limited to: the credit worthiness of the governmental entity that issues the bond; the stability of the revenue stream that is used to pay the interest to the bondholders; when the bond is due to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same amount of interest or yield to maturity.

**Bonds:** Corporate debt securities (or "bonds") are typically safer investments than equity securities, but their risk can also vary widely based on: the financial health of the issuer; the risk that the issuer might default; when the bond is set to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same rate of return.

**Stocks:** There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and, the overall health of the economy. In general, larger, better established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") are but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

**Variable Annuities:** A variable annuity is a form of insurance where the seller or issuer (typically an insurance company) makes a series of future payments to a buyer (annuitant) in exchange for the immediate payment of a lump sum (single-payment annuity) or a series of regular payments (regular-payment annuity). The payment stream from the issuer to the annuitant has an unknown duration based principally upon the date of death of the annuitant. At this point, the contract will terminate and the remainder of the funds accumulated forfeited unless there are other annuitants or beneficiaries in the contract. Annuities can be purchased to provide an income during retirement. Unlike fixed annuities that make payments in fixed amounts or in amounts that increase by a fixed percentage, variable annuities, pay amounts that vary according to the performance of a specified set of investments, typically bond and equity mutual funds. Many variable annuities typically impose asset-based sales charges or surrender charges for withdrawals within a specified period. Variable annuities may impose a variety of fees and expenses, in addition to sales and surrender charges, such as mortality and expense risk charges; administrative fees; underlying fund expenses; and charges for special features, all of which can reduce the return. Earnings in a variable annuity do not provide all the tax advantages of 401(k)s and other before-tax retirement plans. Once the investor starts withdrawing money from their variable annuity, earnings are taxed at the ordinary income rate, rather than at the lower capital gains rates applied to other non-tax-deferred vehicles which are held for more than one year. Proceeds of most variable annuities do not receive a "step-up" in cost basis when the owner dies like stocks, bonds and mutual funds do. Some variable annuities offer "bonus credits." These are usually not free. In order to fund them, insurance companies typically impose mortality and expense charges and surrender charge periods. In an exchange of an existing annuity for a new annuity (so-called 1035 exchanges), the new variable annuity may have a lower contract value and a smaller death benefit; may impose new surrender charges or increase the period of time for which the surrender charge applies; may have higher annual fees; and provide another commission for the broker.

**Real Estate:** Real estate is increasingly being used as part of a long-term core strategy due to increased market efficiency and increasing concerns about the future long-term variability of stock and bond returns. In fact, real estate is known for its ability to serve as a portfolio diversifier and inflation hedge. However, the asset class still bears a considerable amount of market risk. Real estate has shown itself to be very cyclical, somewhat mirroring

the ups and downs of the overall economy. In addition to employment and demographic changes, real estate is also influenced by changes in interest rates and the credit markets, which affect the demand and supply of capital and thus real estate values. Along with changes in market fundamentals, investors wishing to add real estate as part of their core investment portfolios need to look for property concentrations by area or by property type. Because property returns are directly affected by local market basics, real estate portfolios that are too heavily concentrated in one area or property type can lose their risk mitigation attributes and bear additional risk by being too influenced by local or sector market changes.

**Real Estate Investment Trust:** A real estate investment trust ("REIT") is a corporate entity which invests in real estate and/or engages in real estate financing. A REIT reduces or eliminates corporate income taxes. REITs can be publicly or privately held. Public REITs may be listed on public stock exchanges. REITs are required to declare 90% of their taxable income as dividends, but they actually pay dividends out of funds from operations, so cash flow has to be strong or the REIT must either dip into reserves, borrow to pay dividends, or distribute them in stock (which causes dilution). After 2012, the IRS stopped permitting stock dividends. Most REITs must refinance or erase large balloon debts periodically. The credit markets are no longer frozen, but banks are demanding, and getting, harsher terms to re-extend REIT debt. Some REITs may be forced to make secondary stock offerings to repay debt, which will lead to additional dilution of the stockholders. Fluctuations in the real estate market can affect the REIT's value and dividends.

**Options Contracts:** Options are complex securities that involve risks and are not suitable for everyone. Option trading can be speculative in nature and carry substantial risk of loss. It is generally recommended that you only invest in options with risk capital. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an underlying asset at a specific price on or before a certain date (the "expiration date"). The two types of options are calls and puts:

A call gives the holder the right to buy an asset at a certain price within a specific period of time. Calls are similar to having a long position on a stock. Buyers of calls hope that the stock will increase substantially before the option expires.

A put gives the holder the right to sell an asset at a certain price within a specific period of time. Puts are very similar to having a short position on a stock. Buyers of puts hope that the price of the stock will fall before the option expires.

Selling options is more complicated and can be even riskier.

The option trading risks pertaining to options buyers are:

- Risk of losing your entire investment in a relatively short period of time.
- The risk of losing your entire investment increases if, as expiration nears, the stock is below the strike price of the call (for a call option) or if the stock is higher than the strike price of the put (for a put option).
- European style options which do not have secondary markets on which to sell the options prior to expiration can only realize its value upon expiration.
- Specific exercise provisions of a specific option contract may create risks.
- Regulatory agencies may impose exercise restrictions, which stops you from realizing value.

The option trading risks pertaining to options sellers are:

- Options sold may be exercised at any time before expiration.
- Covered Call traders forgo the right to profit when the underlying stock rises above the strike price of the call options sold and continues to risk a loss due to a decline in the underlying stock.
- Writers of Naked Calls risk unlimited losses if the underlying stock rises.



- Writers of Naked Puts risk unlimited losses if the underlying stock drops.
- Writers of naked positions run margin risks if the position goes into significant losses. Such risks may include liquidation by the broker.
- Writers of call options could lose more money than a short seller of that stock could on the same rise on that underlying stock. This is an example of how the leverage in options can work against the option trader.
- Writers of Naked Calls are obligated to deliver shares of the underlying stock if those call options are exercised.
- Call options can be exercised outside of market hours such that effective remedy actions cannot be performed by the writer of those options.
- Writers of stock options are obligated under the options that they sold even if a trading market is not available or that they are unable to perform a closing transaction.
- The value of the underlying stock may surge or ditch unexpectedly, leading to automatic exercises.

Other option trading risks are:

- The complexity of some option strategies is a significant risk on its own.
- Option trading exchanges or markets and option contracts themselves are open to changes at all times.
- Options markets have the right to halt the trading of any options, thus preventing investors from realizing value.
- Risk of erroneous reporting of exercise value.
- If an options brokerage firm goes insolvent, investors trading through that firm may be affected.
- Internationally traded options have special risks due to timing across borders.

Risks that are not specific to options trading include market risk, sector risk and individual stock risk. Option trading risks are closely related to stock risks, as stock options are a derivative of stocks.

## **Item 9 Disciplinary Information**

We have not been the subject of any legal or disciplinary events that would be material to your evaluation of our business or the integrity of our management.

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

### ***Registrations with Broker-Dealer***

Certain persons providing investment advice on behalf of our firm are also registered representatives with Lebenthal Financial Services, LLC ("LFS"). In their capacity as registered representatives, these persons will receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Compensation earned by these persons in their capacities as registered representatives is separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. You are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with our firm.

### ***Insurance Agents***

Certain persons providing investment advice on behalf of our firm are also licensed insurance agents in one or more states and may recommend the purchase of insurance products to you. They will receive commissions for the sale of such insurance products. In addition to offering insurance products directly, they may also recommend clients purchase insurance products through our affiliate insurance agency, Bristol Capital Corporation. The ability to receive commissions from the sale of insurance products presents a conflict of interest, in that it gives

an incentive to recommend a particular insurance product over a different insurance product or a different investment, based on the compensation received, rather than on a client's needs. LGA addresses these conflicts by disclosing this potential conflict to clients to assure that their interests are considered.

### ***Affiliations***

#### **Lebenthal Financial Services, LLC**

Dominick Tavella, President, is minority owner of Lebenthal Financial Services, LLC., a registered broker-dealer, member FINRA/SIPC. Mr. Tavella is also the principal owner of Lebenthal Diversified Asset Management Inc. ("LDAM"), a federally registered investment adviser. Certain Advisory Representatives of LGA may also be registered representatives of LFS. Mr. Hartzman also owns Bristol Capital Corporation, an insurance agency, which may make insurance products and services available to clients of LGA.

Both Mr. Tavella and Mr. Hartzman are registered representatives of LFS and licensed insurance agents. You are not obligated to conduct business with Messrs. Hartzman and Tavella in these capacities. Please refer to their respective supplements for more information about their affiliations. If you purchase products and services through Messrs. Hartzman and Tavella, or any Advisory Representative in these capacities, they will receive compensation in addition to the advisory fees you pay to LGA. This presents a conflict of interest because this may create an incentive to make recommendations based upon the amount of compensation we can receive rather than based upon your needs. See your Advisory Representative's Brochure Supplement for additional information regarding their receipt of compensation as broker-dealer representatives of LFS.

To address this conflict, we will explain the specific costs associated with any recommend investment with you upon request. We also recommend no-load and load waived mutual funds to further reduce conflicts of interest. Additionally, you may purchase investment and insurance products through other brokers or agents who are not affiliated with us.

#### **Lebenthal Partners LLC**

Both Mr. Tavella and Mr. Hartzman own 50% of Lebenthal Partners LLC, which owns the Lebenthal brand and trademark.

#### **Diversified Financial Consultants**

Mr. Tavella is also the principal owner of Diversified Financial Consultants, a management support company, and President of WealthSource Financial, LLC. WealthSource Financial, LLC has no clients or assets and is not used for any investment or business purpose.

Referral arrangements with an affiliated entity present a conflict of interest for us because we may have a direct or indirect financial incentive to recommend an affiliated firm's services. While we believe that compensation charged by an affiliated firm is competitive, such compensation may be higher than fees charged by other firms providing the same or similar services. You are under no obligation to use the services of any firm we recommend, whether affiliated or otherwise, and may obtain comparable services and/or lower fees through other firms.

### **Recommendation of Other Advisers**

Based on your needs and suitability, we may use sub-advisors to manage all or a portion of your account. We will pay a portion of our advisory fee to the sub-advisor(s) we use; however, you will not pay our firm a higher advisory fee as a result of any sub-advisory relationship. In addition to other sub-advisors, we do use the sub-advisory services of Lebenthal Diversified Asset Management Inc. ("LDAM"), an affiliated investment adviser.

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

### **Description of Our Code of Ethics**

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

### **Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

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

If you choose Raymond James as a custodian (either through LFS or directly) for your account and set up for cash to sweep to a money market fund, LFS receives compensation from Raymond James annually, based on your assets invested in the sweep money market fund. This compensation is paid to offset operating expenses. Nevertheless, this compensation represents a conflict of interest because our affiliate has a financial benefit if cash is invested in sweep money market funds. The compensation that LFS receives is in addition to advisory fees that we receive in connection with the assets under management in the account. This compensation is retained by LFS and is not shared with us. Except for Advisory Representatives that have an ownership interest in LFS, this compensation does not cause an IAR to have a financial incentive to recommend that cash be held in the account instead of holding securities.

## **Item 12 Brokerage Practices**

We will generally recommend LFS clearing through Raymond James & Associates, Inc. ("Raymond James") or Schwab Advisor Services division of Charles Schwab & Co., Inc. ("Schwab") for custody and brokerage services, although we may agree to employ the services of one or more other custodians. Schwab and Raymond James are SEC-registered broker-dealers. Schwab and Raymond James (collectively, the "Custodian") offer independent investment advisor services which include custody of client securities, trade execution, clearance and settlement of transactions.

Third-party asset managers may require use of certain custodians. Please refer to the Brokerage Practices section of their respective brochures for more information.

We are independently owned and operated and not affiliated with the custodians we recommend. Our use of a particular custodian is, however, a beneficial business arrangement for us and our affiliate LFS and for the custodian. Information regarding the benefits of these relations is described below.

Our recommendation of a specific custodian is based in part on our existing relationships; the custodian's financial strength; reputation; breadth of investments products; and, the cost of and quality of custody and brokerage services provided to you and our other clients.

The determining factor in the selection of a particular custodian to execute transactions for your accounts is not the lowest possible transaction cost, but whether they can provide what is in our view the best qualitative execution for investment transactions for your account.

In addition to brokerage and custody services, the Custodians may provide access to investments generally available to institutional investors; research; software; and, educational opportunities. The Custodians may also make available or arrange for discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third-party vendors. Thus, we receive economic benefits because of our relationship with the Custodians, because we do not have to produce or purchase the products and services listed above.

These services are not contingent upon us committing any specific amount of business to the Custodians in trading commissions. LGA does not enter into any "soft dollar" arrangements with custodians and broker-dealers through which we receive research or other services based on commissions generated in your account or the number of transactions effected in your account.

LGA and LFS are required to maintain a minimum of assets with Raymond Jams to receive preferred pricing for their services to us. As part of its fiduciary duties to clients, Lebenthal endeavors always to put the interests of its clients first. You should be aware, however, that our receipt of economic benefits in and of itself creates a potential conflict of interest and may influence our recommendation of Raymond James for custody and brokerage services. In addition, we receive upfront transition payments from Raymond James to assist us with transitioning clients' accounts onto their custodial platforms. We use these fees to offset things like ACAT fees, technology set-up fees, marketing and mailing costs, stationary and licensure transfer fees. This presents a conflict of interest in that we have a financial incentive to recommend that you maintain your account with Raymond James. However, to the extent we recommend you use Raymond James for such services, it is because we believe it is in your best interest to do so based on the quality and pricing of the execution, and other services Raymond James provide.

Our recommendation of specific custodians may be based in part on the economic benefit to us and not solely on the nature, cost or quality of custody and brokerage services provided to you and other clients. This may create a conflict of interest for us. We address this conflict by conducting reviews of execution quality and commission rates, trade error rates, quality of client reporting, reputation, and financial strength of the Custodians.

The Custodians may not charge separately for holding our client accounts, but may be compensated by you through other transaction-related fees associated with the securities they execute for your account.

Commissions and other fees for transactions executed through the custodians we recommend may be higher than commissions and other fees available if you use another custodian firm to execute transactions and maintain custody of your account. We believe, however, that the overall level of services and support provided to our clients by our recommend custodians outweighs the benefit of possibly lower transactions cost which may be available under other brokerage arrangements.

Many of the services described above may be used to benefit all or a substantial number of our accounts, including accounts not maintained through our recommended custodians. We do not attempt to allocate these benefits to specific clients.

#### **Research and Other Soft Dollar Benefits**

We do not have any soft dollar arrangements.

**Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research

**Directed Brokerage**

You may direct us in writing to use a particular custodian to execute some or all of the transactions for your account. If you do so, you may be responsible for negotiating the terms and arrangements for the account with that custodian.

We may not be able to negotiate commissions, obtain volume discounts, or best execution with custodians with which we do not have a pre-existing relationship. A difference in transaction fees and expenses may also exist between those charged to clients who direct us to use a particular custodian and other clients who do not.

**Aggregated or Bunched Trading**

Aggregated or "bunched trading" allows for the purchase or sale of a security for the accounts of multiple clients in a single transaction. If a bunched trade is executed, each participating client receives a price that represents the average of the prices at which all the transactions in a given bunch were executed. Executing a bunched trade allows transaction costs to be shared equally and on a pro rata basis among all participating clients. If the order is not completely filled, the securities purchased or sold are distributed among participating clients on a pro rata basis or in some other equitable manner. We may aggregate trades only when we reasonably believe that the combination of the transactions provides better prices for clients than had individual transactions been placed for clients. Transactions for non-discretionary client accounts are generally not bunched with transactions for discretionary client accounts.

**Personal Trading**

Transactions for the accounts of our Advisory Representatives and employees may be included in bunched trades. They will receive the same average price and pay the same commissions and other transaction costs as client. Transactions for the accounts of our Advisory Representatives or employees will not be favored over transactions for client accounts. We are not obligated to include any client transaction in a bunched trade. Bunched trades will not be affected for any client's account if doing so is prohibited or otherwise inconsistent with the client's investment advisory agreement. No client will be favored over any other client.

**Item 13 Review of Accounts**

We will review your account on an on-going and periodic basis to monitor that your investments and investment strategies are consistent with your stated goals and objectives. We will regularly review the reports provided to you by any third-party investment managers that are managing assets for you.

We will meet with you no less than annually to review your account. During this annual review, we will update your financial information and any reasonable restrictions you wish to place on the management of your account. Additional reviews may be triggered by economic or political events, or by client request.

The investment committee is responsible for all reviews.

As previously noted, we strongly encourage you to advise us of any changes in your personal circumstances, your investment goals or objectives, and your risk tolerances to ensure that your investments and investment strategies are most appropriate for you.

You will receive account statements directly from your account custodian. Please review them carefully.

## Item 14 Client Referrals and Other Compensation

As disclosed under the *Fees and Compensation* section in this brochure, persons providing investment advice on behalf of our firm are licensed insurance agents, and are registered representatives with Lebenthal Financial Services Inc., a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. For information on the conflicts of interest this presents, and how we address these conflicts, refer to the *Fees and Compensation* section above.

### Solicitor Arrangements

We enter into written agreements with certain unaffiliated investment advisors and other professionals (such as CPAs, attorneys, etc.) to compensate them for referring clients to us. We will pay these individuals (referred to as "solicitors") a percentage of the advisory fee that you pay us if it is determined that you have become a client of ours because of their direct or indirect efforts.

The payments we make to a solicitor will not result in an increase in the amount of the advisory fee that the referred client will pay. In order to receive a cash referral fee from our firm, solicitors must comply with the requirements of the jurisdictions in which they operate. If you were referred to our firm by a solicitor, you should have received a copy of this brochure along with the solicitor's disclosure statement at the time of the referral.

Our solicitation or referral arrangements will comply with applicable laws that govern:

- the nature of the services provided;
- the fees to be paid;
- disclosure of solicitor arrangements to clients; and
- client consents, as required.

### Economic Benefits

We receive certain economic benefits because of our participation in the institutional brokerage program of the Custodians. Those benefits are described in detail in the section above entitled, *Brokerage Practices*.

Certain mutual fund sponsors may provide our Advisory Representatives with the opportunity for payment or reimbursement of marketing or technology expenses. Payment/reimbursement of expenses is not contingent upon sales targets or contests and does not result in the client paying additional expenses for the purchase or sale of mutual funds offered by these sponsors. We may have an incentive to recommend mutual funds that provide us with the above referenced opportunities over those that do not.

Except, as described above, LGA does not receive direct or indirect compensations related to our advisory services other than the advisory fees paid to us by our clients.

## Item 15 Custody

Your assets are held by qualified custodians. However, LGA is deemed to have custody when you authorize us to deduct our advisory fees directly from your custodial accounts. You will receive monthly statements from your account custodian. The statements will show the advisory fees paid to us. Your custodian does not verify the accuracy of fee calculations so please review the fees carefully.

You should also confirm that the transactions in your account are consistent with the investment goals and the objectives for your account.

### **Standing Letter of Authorization**

LGA, or persons associated with our firm, may effect wire transfers from client accounts to one or more third parties designated, in writing, by the client without obtaining written client consent for each separate, individual transaction, as long as the client has provided us with written authorization to do so. Such written authorization is known as a Standing Letter of Authorization. An adviser with authority to conduct such third party wire transfers has access to the client's assets, and therefore has custody of the client's assets in any related accounts.

However, we do not have to obtain a surprise annual audit, as we otherwise would be required to by reason of having custody, as long as we meet the following criteria:

1. You provide a written, signed instruction to the qualified custodian that includes the third party's name and address or account number at a custodian;
2. You authorize us in writing to direct transfers to the third party either on a specified schedule or from time to time;
3. Your qualified custodian verifies your authorization (e.g., signature review) and provides a transfer of funds notice to you promptly after each transfer;
4. You can terminate or change the instruction;
5. We have no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party;
6. We maintain records showing that the third party is not a related party to us nor located at the same address as us; and
7. Your qualified custodian sends you, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

We hereby confirm that we meet the above criteria.

Please promptly contact our Compliance Officer, Thomas Katovitz at (516) 785-1800, should you have any questions or concerns regarding your account.

### **Item 16 Investment Discretion**

As previously noted, we offer our advisory services on a discretionary basis (meaning that we do not need advance approval from you to determine the type and amount of securities to be bought and sold for your account) and a non-discretionary basis (meaning that your advisory representative must obtain your specific prior approval before a transaction can be affected for your investment account).

We may only exercise discretion if you have provided authority to us in writing. This authorization is typically in the investment advisory agreement you enter with us and the appropriate trading authorization forms.

The discretionary authority you grant to us does not authorize us to choose the custodian through which transactions for your account will be executed or to negotiate brokerage fees or expenses. Additionally, our discretionary authority does not allow us to withdraw funds from your account (other than to withdraw our advisory fees, which may be only done with your prior written authorization).

We will exercise discretion in a manner consistent with the stated investment objectives for your account.

Typically, under third-party investment management arrangements, the third-party investment manager exercises discretion in the management of your account. All securities transactions are selected and executed by that manager. We do not manage or obtain discretionary authority over the assets in those accounts. You may, however, grant us the discretionary authority to hire and fire such third-party managers on your behalf.

## **Item 17 Voting Client Securities**

LGA and its IARs do not take any action or give any advice with respect to voting of proxies solicited by or with respect to the issuers of securities in which your accounts may be invested.

You will receive information related to proxies directly from your account custodian. We will forward to you any information received by us regarding proxies and class action legal matters involving any securities held in your accounts.

Third-party investment managers will generally vote the securities in the portfolios they manage. Their proxy policies and procedures will be described in their respective disclosure brochures.

## **Item 18 Financial Information**

We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to you. We have not been the subject of any bankruptcy proceedings.

## **Item 19 Requirements for State-Registered Advisers**

We are a federally registered investment adviser; therefore, we are not required to respond to this item.

## **Item 20 Additional Information**

### **Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

### **Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.