

# Parlin Advisors LLC

## Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Parlin Advisors LLC. If you have any questions about the contents of this brochure, please contact us at (908) 377-4202 or by email at: [ken@parlinadvisors.com](mailto:ken@parlinadvisors.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.*

*Additional information about Parlin Advisors LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Parlin Advisors LLC's CRD number is: 300774.*

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*Registration as an investment adviser does not imply a certain level of skill or training.*

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## **Item 2: Material Changes**

There are no material changes in this brochure from the last annual updating amendment of Parlin Advisors LLC on 02/22/2022. Material changes relate to Parlin Advisors LLC's policies, practices or conflicts of interests.

## Item 3: Table of Contents

Item 1: Cover Page	
Item 2: Material Changes	2
Item 3: Table of Contents	3
Item 4: Advisory Business	5
A. Description of the Advisory Firm	5
B. Types of Advisory Services	5
C. Client Tailored Services and Client Imposed Restrictions	6
D. Wrap Fee Programs	6
E. Assets Under Management	6
Item 5: Fees and Compensation	7
A. Fee Schedule	7
B. Payment of Fees	7
C. Client Responsibility For Third Party Fees	7
D. Prepayment of Fees	7
E. Outside Compensation For the Sale of Securities to Clients	7
Item 6: Performance-Based Fees and Side-By-Side Management	8
Item 7: Types of Clients	8
Item 8: Methods of Analysis, Investment Strategies, & Risk of Loss	8
A. Methods of Analysis and Investment Strategies	8
B. Material Risks Involved	9
C. Risks of Specific Securities Utilized	10
Item 9: Disciplinary Information	11
A. Criminal or Civil Actions	11
B. Administrative Proceedings	11
C. Self-regulatory Organization (SRO) Proceedings	11
Item 10: Other Financial Industry Activities and Affiliations	11
A. Registration as a Broker/Dealer or Broker/Dealer Representative	11
B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor	11

C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests	11
D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections	11
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	12
A. Code of Ethics	12
B. Recommendations Involving Material Financial Interests	12
C. Investing Personal Money in the Same Securities as Clients	12
A. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections	12
Item 12: Brokerage Practices	13
A. Factors Used to Select Custodians and/or Broker/Dealers	13
1. Research and Other Soft-Dollar Benefits	13
2. Brokerage for Client Referrals	13
3. Clients Directing Which Broker/Dealer/Custodian to Use	13
B. Aggregating (Block) Trading for Multiple Client Accounts	13
Item 13: Review of Accounts	14
A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews	14
B. Factors That Will Trigger a Non-Periodic Review of Client Accounts	14
C. Content and Frequency of Regular Reports Provided to Clients	14
Item 14: Client Referrals and Other Compensation	14
A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)	14
B. Compensation to Non – Advisory Personnel for Client Referrals	15
Item 15: Custody	15
Item 16: Investment Discretion	16
Item 17: Voting Client Securities (Proxy Voting)	16
Item 18: Financial Information	16
A. Balance Sheet	16
B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients	17
C. Bankruptcy Petitions in Previous Ten Years	17

## **Item 4: Advisory Business**

### **A. Description of the Advisory Firm**

Parlin Advisors LLC (hereinafter “Parlin Advisors”) is a Limited Liability Company organized in the State of New York. The firm was formed in January 2019, and the principal owner is Kenneth B Parlin.

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

#### ***Portfolio Management Services***

Parlin Advisors offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. For most clients, Parlin Advisors develops a financial plan using eMoney software that maps out a client’s assets and liabilities, income and expenses. This financial plan provides the context for setting asset allocation parameters for client portfolios.

Parlin Advisors evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. Parlin Advisors requires discretionary authority from clients in order to select investment vehicles and execute transactions without permission from the client prior to each transaction.

Parlin Advisors seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts. To meet its fiduciary obligations, Parlin Advisors attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, Parlin Advisors’s policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another.

#### ***Services Limited to Specific Types of Investments***

Parlin Advisors generally constructs portfolios using mutual funds and Exchange Traded Funds (“ETF’s”) that track indices consistent with diversified asset allocation. Parlin Advisors will invest in securities of individual companies on an exception basis with input from the client. In addition, Parlin Advisors utilizes a third-party manager to implement a tax-aware indexing strategy.

#### ***Written Acknowledgement of Fiduciary Status***

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.

### **C. Client Tailored Services and Client Imposed Restrictions**

Parlin Advisors offers the same suite of services to all of its clients. However, specific client investment strategies and their implementation are dependent upon the appropriate asset allocation strategy tailored for each client as determined by time horizon and risk tolerance.

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

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, and certain other administrative fees. Parlin Advisors does not participate in wrap fee programs.

### **E. Assets Under Management**

Parlin Advisors has the following assets under management:

<b>Discretionary Amounts:</b>	<b>Non-discretionary Amounts:</b>	<b>Date Calculated:</b>
\$ 37,519,450	\$ 0.00	December 2022

## Item 5: Fees and Compensation

### A. Fee Schedule

#### *Portfolio Management Fees*

Total Assets Under Management	Annual Fees
\$1 - \$2,999,999	0.50%
\$3,000,000 - \$9,999,999	0.40%
\$10,000,000 - \$19,999,999	0.30%
\$20,000,000 – And Up	0.20%

Parlin Advisors uses the value of the account as of the last business day of the billing period, which is quarterly, after taking into account deposits and withdrawals, for purposes of determining the market value of the assets upon which the advisory fee is based.

### B. Payment of Fees

#### *Payment of Portfolio Management Fees*

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client written or DocuSign authorization on a quarterly basis. Fees are paid in arrears.

### C. Client Responsibility For Third Party Fees

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by Parlin Advisors. Please see Item 12 of this brochure regarding broker-dealer/custodian.

### D. Prepayment of Fees

Parlin Advisors collects its fees in arrears. It does not collect fees in advance.

### E. Outside Compensation For the Sale of Securities to Clients

Neither Parlin Advisors nor its supervised persons accept any compensation for the sale of investment products, including asset-based sales charges or service fees from the sale of mutual funds.

## **Item 6: Performance-Based Fees and Side-By-Side Management**

Parlin Advisors does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

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

Parlin Advisors generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Trusts and other related entities of individual clients (Family Limited Partnerships, Limited Liability Corporations, Private Foundations and Business Entities)

There is no account minimum for any of Parlin Advisors' services.

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

### **A. Methods of Analysis and Investment Strategies**

#### ***Methods of Analysis***

Parlin Advisors' methods of analysis include Modern portfolio theory.

**Modern portfolio theory** is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset.

#### ***Investment Strategies***

Parlin Advisors uses long term trading.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**



## B. Material Risks Involved

### *Methods of Analysis*

**Modern portfolio theory** assumes that investors are risk averse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

### *Investment Strategies*

**Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Inflation Risk**, also known as Purchasing Power Risk, is risk arises from the decline in value of securities cash flow due to inflation, which is measured in terms of purchasing power. Only Inflation Protection Bonds such as TIPS offer protection against this risk. Floaters help reduce this risk because of the resetting of the interest rates. All other bonds expose the investor to this risk because the interest rate is fixed for the life of the bond.

**Interest Rate Risk** is the risk that an investment's value will change due to a change in the absolute level of interest rates, in the spread between two rates, in the shape of the yield curve, or in any other interest rate relationship. Such changes usually affect securities inversely and can be reduced by diversifying (investing in fixed-income securities with different durations) or hedging (such as through an interest rate swap).

**Economic Risk** is the chance that macroeconomic conditions like exchange rates, government regulation, or political stability will affect an investment, usually one in a foreign country.

**Market Risk** is the possibility of an investor experiencing losses due to factors that affect the overall performance of the financial markets in which he or she is involved. Market risk, also called "systematic risk," cannot be eliminated through diversification, though it

can be hedged against. Sources of market risk include recessions, political turmoil, changes in interest rates, natural disasters and terrorist attacks.

**Political Risk** is the risk an investment's returns could suffer as a result of political changes or instability in a country. Instability affecting investment returns could stem from a change in government, legislative bodies, other foreign policy makers or military control. Political risk is also known as "geopolitical risk," and becomes more of a factor as the time horizon of an investment gets longer.

**Regulatory Risk** is the risk that a change in laws and regulations will materially impact a security, business, sector or market. A change in laws or regulations made by the government or a regulatory body can increase the costs of operating a business, reduce the attractiveness of an investment, or change the competitive landscape.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### **C. Risks of Specific Securities Utilized**

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed "electronic shares" not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

**Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

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

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither Parlin Advisors nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither Parlin Advisors nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Neither Parlin Advisors nor its representatives have any material relationships to this advisory business that would present a possible conflict of interest.

### **D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

Other than managers of mutual funds and ETF's, Parlin Advisors generally does not engage third party managers. One notable exception is a manager specializing in tracking

indices on a tax-aware basis, where the manager uses capital losses to offset capital gains with the intention of improving after-tax performance. In this case, the third-party manager is paid a separate management fee.

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

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

Parlin Advisors has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Parlin Advisors's Code of Ethics is available free upon request to any client or prospective client.

### **B. Recommendations Involving Material Financial Interests**

Parlin Advisors does not recommend that clients buy or sell any security in which a related person to Parlin Advisors or Parlin Advisors has a material financial interest.

### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of Parlin Advisors may buy or sell securities for themselves that they also recommend to clients. Though such transactions may create the appearance of a conflict of interest, Parlin Advisors never engages in trading that would have a material impact on the execution price achieved by a client buying or selling the same security.

### **A. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

Parlin Advisors does not utilize nor select third-party investment advisers.

## **Item 12: Brokerage Practices**

### **A. Factors Used to Select Custodians and/or Broker/Dealers**

Parlin Advisors will require clients to use Schwab Institutional ("Schwab"), a division of Charles Schwab & Co., Inc. for custody and execution. Parlin Advisors made this decision on the reputation of Schwab for industry leading low-cost products and services, as well as reliable technology and security.

#### **1. *Research and Other Soft-Dollar Benefits***

While Parlin Advisors has no formal soft dollars program in which soft dollars are used to pay for third party services, Parlin Advisors receives research and other services from Schwab as custodian and broker-dealer in connection with client securities transactions ("soft dollar benefits").

#### **2. *Brokerage for Client Referrals***

Parlin Advisors receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

#### **3. *Clients Directing Which Broker/Dealer/Custodian to Use***

Parlin Advisors will require clients to use a specific broker-dealer to execute transactions. Not all advisers require clients to use a particular broker-dealer.

### **B. Aggregating (Block) Trading for Multiple Client Accounts**

If Parlin Advisors buys or sells the same securities on behalf of more than one client, it might, but would be under no obligation to, aggregate or bunch, to the extent permitted by applicable law and regulations, the securities to be purchased or sold for multiple clients in order to seek more favorable prices, lower brokerage commissions or more efficient execution. In such case, Parlin Advisors would place an aggregate order with the broker on behalf of all such clients in order to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. Parlin Advisors would determine the appropriate number of shares to place with brokers and will select the appropriate brokers consistent with Parlin Advisors' duty to seek best execution, except for those accounts with specific brokerage direction (if any). When Parlin Advisors does not or cannot aggregate trades, clients may receive less favorable prices, pay higher brokerage commissions, or experience less efficient trade execution.

## **Item 13: Review of Accounts**

### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

All client accounts for Parlin Advisors' advisory services provided on an ongoing basis are reviewed at least quarterly by Kenneth B Parlin, Chief Compliance Officer, regarding clients' respective investment policies and risk tolerance levels.

### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client of Parlin Advisors' advisory services provided on an ongoing basis will receive a monthly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian. In addition, clients can access their account balances, transactions and statements on a daily basis through Schwab's online portal.

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

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

Parlin Advisors does not receive any economic benefit, directly or indirectly from any third party for advice rendered to Parlin Advisors's clients.

With respect to Schwab, Parlin Advisors receives access to Schwab's institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Schwab Advisor Services. Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. For Parlin

Advisors client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to Parlin Advisors other products and services that benefit Parlin Advisors but may not benefit its clients' accounts. These benefits may include national, regional or Parlin Advisors specific educational events organized and/or sponsored by Schwab Advisor Services. Other potential benefits may include occasional business entertainment of personnel of Parlin Advisors by Schwab Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist Parlin Advisors in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts, if applicable), provide research, pricing information and other market data, facilitate payment of Parlin Advisors' fees from its clients' accounts (if applicable), and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of Parlin Advisors' accounts. Schwab Advisor Services also makes available to Parlin Advisors other services intended to help Parlin Advisors manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to Parlin Advisors by independent third parties. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to Parlin Advisors. Parlin Advisors is independently owned and operated and not affiliated with Schwab.

## **B. Compensation to Non – Advisory Personnel for Client Referrals**

Parlin Advisors does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

## **Item 15: Custody**

When advisory fees are deducted directly from client accounts at client's custodian, Parlin Advisors will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. This authorization is imbedded in the Schwab account opening documents. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.



## **Item 16: Investment Discretion**

Parlin Advisors provides discretionary investment advisory services to clients. Where investment discretion has been granted, Parlin Advisors generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share.

## **Item 17: Voting Client Securities (Proxy Voting)**

In general, clients authorize Parlin Advisors to make all voting decisions and take all actions on clients' behalf (proxies, tender offers, proposed mergers, rights offerings, exchange offers and warrants, among other things). In these cases, clients will not be sent informational copies of these communications.

Parlin Advisors acknowledges its fiduciary obligation to vote proxies on behalf of those clients that have delegated to it, or for which it is deemed to have, proxy voting authority. Parlin Advisors will vote proxies on behalf of a client solely in the best interest of the relevant client. Parlin Advisors has established general guidelines for voting proxies. Parlin Advisors may also abstain from voting if, based on factors such as expense or difficulty of exercise, it determines that a client's interests are better served by abstaining. Further, because proxy proposals and individual company facts and circumstances may vary, Parlin Advisors may vote in a manner that is contrary to the general guidelines if it believes that it would be in a client's best interest to do so. If a proxy proposal presents a conflict of interest between Parlin Advisors and a client, then Parlin Advisors will disclose the conflict of interest to the client prior to the proxy vote and, if participating in the vote, will vote in accordance with the client's wishes.

Clients may obtain a complete copy of the proxy voting policies and procedures by contacting Parlin Advisors in writing and requesting such information. Each client may also request, by contacting Parlin Advisors in writing, information concerning the manner in which proxy votes have been cast with respect to portfolio securities held by the relevant client during the prior annual period. Clients can send written requests to the Chief Compliance Officer at [ken@parlinadvisors.com](mailto:ken@parlinadvisors.com).

## **Item 18: Financial Information**

### **A. Balance Sheet**

Parlin Advisors neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.



## **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither Parlin Advisors nor its management has any financial condition that is likely to reasonably impair Parlin Advisors' ability to meet contractual commitments to clients.

## **C. Bankruptcy Petitions in Previous Ten Years**

Parlin Advisors has not been the subject of a bankruptcy petition in the last ten years.