

# Heritage Capital Advisors, LLC

## Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Heritage Capital Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (303)-670-9761 or by email at: [david.moenning@heritagecapitalresearch.com](mailto:david.moenning@heritagecapitalresearch.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 Heritage Capital Advisors, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Heritage Capital Advisors, LLC's CRD number is: 310306*

19263 W. 85<sup>th</sup> Bluff  
Arvada, Colorado  
(303)-670-9761  
[info@HeritageCapitalResearch.com](mailto:info@HeritageCapitalResearch.com)

*Registration does not imply a certain level of skill or training.*

Version Date 02/28/2023

## **Item 2: Material Changes**

Heritage Capital Advisors, LLC was founded in 2013. It obtained registration as a Registered Investment Advisor (RIA) in September 2020. Since we last provided you with a copy of our disclosure brochure or letter of material changes in March of 2022, there has been no new material changes to the disclosure brochure.

If you would like another copy of this brochure, please download it from the SEC website as indicated on page one or you may contact Mr. David Moenning at phone number (303)-670-9761 or email at [david.moenning@heritagecapitalresearch.com](mailto:david.moenning@heritagecapitalresearch.com). We encourage you to read this document in its entirety.

## Item 3: Table of Contents

### Table of Contents

Item 2: Material Changes.....	i
Item 3: Table of Contents.....	ii
Item 4: Advisory Business .....	1
A. Description of the Advisory Firm .....	1
B. Types of Advisory Services .....	1
Investment Supervisory Services .....	1
Selection of Investment Mangers and Strategies .....	1
Services Limited to Specific Types of Investments .....	2
Subadvisor Services.....	2
C. Client Tailored Services and Client Imposed Restrictions.....	2
D. Wrap Fee Programs.....	3
E. Amounts Under Management .....	3
Item 5: Fees and Compensation.....	3
A. Fee Schedule and Billing .....	3
Investment Supervisory Services Fees.....	3
Subadvisor Services Fees.....	4
B. Payment of Fees.....	4
Payment of Investment Supervisory Fees.....	4
Payment of Subadvisor Fees .....	4
C. Clients Are Responsible For Third Party Fees.....	5
D. Prepayment of Fees .....	6
E. Outside Compensation For the Sale of Securities to Clients.....	6
Item 6: Performance-Based Fees and Side-By-Side Management .....	6
Item 7: Types of Clients .....	6
Item 8: Methods of Analysis, Investment Strategies, and Risk of Investment Loss.....	6
A. Methods of Analysis and Investment Strategies .....	6
Methods of Analysis .....	6
Fundamental analysis .....	6

Technical analysis.....	7
Cyclical analysis.....	7
Investment Strategies.....	7
B. Material Risks Involved .....	7
Methods of Analysis .....	7
Fundamental analysis .....	7
Technical analysis.....	7
Cyclical analysis.....	7
Investment Strategies.....	7
C. Risks of Specific Securities Utilized.....	8
Item 9: Disciplinary Information .....	8
A. Criminal or Civil Actions .....	9
B. Administrative Proceedings.....	9
C. Self-regulatory Organization (SRO) Proceedings.....	9
Item 10: Other Financial Industry Activities and Affiliations.....	9
A. Registration as a Broker/Dealer or Broker/Dealer Representative .....	9
B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor .....	9
C. Relationships Material to this Advisory Business and Possible Conflicts of Interests .....	9
D. Selection of Other Advisors or Managers and How This Advisor is Compensated for Those Selections .....	9
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	10
A. Code of Ethics.....	10
B. Recommendations Involving Material Financial Interests .....	10
C. Investing Personal Money in the Same Securities as Clients.....	10
D. Trading Securities At/ Around the Same Time as Clients' Securities .....	10
Item 12: Brokerage Practices .....	11
A. Factors Used to Select Custodians .....	11
1.Research and Other Soft-Dollar Benefits.....	12
2.Brokerage for Client Referrals .....	11
3.Clients Directing Which Broker/Dealer/Custodian to Use.....	11
B. Aggregating (Block) Trading for Multiple Client Accounts .....	11

Item 13: Reviews of Accounts .....	11
A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews .....	12
B. Factors That Will Trigger a Non-Periodic Review of Client Accounts.....	12
C. Content and Frequency of Regular Reports Provided to Clients.....	12
Item 14: Client Referrals and Other Compensation.....	12
A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes).....	12
B. Compensation to Non – Advisory Personnel for Client Referrals.....	12
Item 15: Custody .....	12
Item 16: Investment Discretion.....	13
Item 17: Voting Client Securities (Proxy Voting) .....	13
Item 18: Financial Information.....	13
A. Balance Sheet .....	13
B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients.....	13
C. Bankruptcy Petitions in Previous Ten Years.....	14
Item 19: Requirements For State Registered Advisors .....	14
A. Principal Executive Officers and Management Persons; Their Formal Education and Business Background .....	14
B. Other Businesses in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those (If Any) .....	14
C. How Performance Based Fees are Calculated and Degree of Risk to Clients .....	14
D. Material Disciplinary Disclosures for Management Persons of this Firm .....	14
E. Material Relationships That Management Persons Have With Issuers of Securities (If Any).....	14

## **Item 4: Advisory Business**

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

Heritage Capital Advisors, LLC is a Limited Liability Company organized in the state of Colorado by Mr. David Moenning in 2013. It became a Registered Investment Advisor (RIA) in September 2020. Heritage Capital Advisors, LLC also does business as (DBA) Heritage Capital Research, LLC.

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

Heritage Capital Advisors, LLC (hereinafter “HERITAGE CAPITAL ADVISORS, LLC”) offers the following services to advisory clients:

#### ***Investment Supervisory Services***

HERITAGE CAPITAL ADVISORS, LLC offers ongoing portfolio management services and institutional consulting services based on the individual goals, return/income, objectives, time horizon, tax status, liquidity needs and risk tolerance of each client. HERITAGE CAPITAL ADVISORS, LLC creates an Investment Plan for each client, which outlines the client’s current situation (income, tax levels, and risk tolerance levels) and then constructs a strategy to aid in the selection of a portfolio that matches the client’s situation. Investment Supervisory Services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Sector Selection
- Personal investment plan
- Client or portfolio consultation
- Regular portfolio monitoring

HERITAGE CAPITAL ADVISORS, LLC will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are determined via communication with their clients.

#### ***Selection of Investment Managers and Strategies***

We can direct clients to Heritage Capital Advisors, LLC for implementation of selected investment management portfolios and strategies.

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

HERITAGE CAPITAL ADVISORS, LLC generally limits its money management to mutual funds, individual equities, individual bonds, options, equity-linked CDs, structured notes, ETF/Ns and Leveraged ETF/Ns.

### ***Sub-Advisor Services***

HERITAGE CAPITAL ADVISORS, LLC may also use and/or act as a sub-advisor to advisors unaffiliated with HERITAGE CAPITAL ADVISORS, LLC. These third-party advisors would outsource portfolio management and/or portfolio strategist services to HERITAGE CAPITAL ADVISORS, LLC. This relationship will be memorialized in each contract between HERITAGE CAPITAL ADVISORS, LLC and the third-party advisor.

### ***Consultation Services***

HERITAGE CAPITAL ADVISORS, LLC'S investment management services may include the analysis of a client's situation and assistance in identifying and implementing appropriate investment management techniques to help meet specific financial objectives. HERITAGE CAPITAL ADVISORS, LLC'S consulting services may include many services including but not limited to: existing portfolio evaluation, income planning strategies, debt analysis, and cash flow. In performing these services, HERITAGE CAPITAL ADVISORS, LLC is not required to verify any information received from client or from the client's other professionals (e.g. attorneys, accountants, etc.) and is expressly authorized to rely on such information. HERITAGE CAPITAL ADVISORS, LLC may recommend clients, engage the Firm for additional related services. Clients are advised that a conflict of interest exists if clients engage HERITAGE CAPITAL ADVISORS, LLC to provide additional services for compensation. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by HERITAGE CAPITAL ADVISORS, LLC under a consulting engagement.

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

HERITAGE CAPITAL ADVISORS, LLC offers a similar suite of services to all of its clients. However, specific client financial plans and their implementation are dependent upon Heritage Capital Advisors, LLC and client's investment outlook which takes into account each client's situation as described in the Investment Supervisory Services under Item 4.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent HERITAGE CAPITAL ADVISORS, LLC from properly servicing the client account, or if the restrictions would require HERITAGE CAPITAL ADVISORS, LLC to deviate from its

standard suite of services, HERITAGE CAPITAL ADVISORS, LLC reserves the right to review and/or end the relationship.

#### **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, fund expenses, and any other administrative/platform fees. HERITAGE CAPITAL ADVISORS, LLC does not participate wrap fee programs.

#### **E. Amounts Under Management**

HERITAGE CAPITAL ADVISORS, LLC has the following approximate assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$545,482,843.00	\$0	December 2022

### **Item 5: Fees and Compensation**

#### **A. Fee Schedule and Billing**

##### ***Investment Supervisory Services Fees***

These fees are negotiable (maximum annual fee 1.95%), depending upon the needs of the client and complexity of the proposed investment strategy and overall situation, and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract.

Fees are paid either monthly or quarterly in advance, or either monthly or quarterly in arrears. Client may terminate the Agreement within five (5) business days of signing this Agreement, without penalty, and with a full refund.

If fees are charged in advance after five days, fees will be charged based on the value of the account on the last business day of the prior month or quarter, respectively. Client may terminate their contracts at any time with ten (10) days written notice. If client terminates their contract, client will be charged to the last business day prior to termination and reimbursed for any business days remaining in the month or quarter billed in advance. If fees are charged in arrears, after five days, fees will be charged based on the value of the account of the last business day of the prior month or quarter up to the date of termination based on the value upon termination.

Advisory fees are withdrawn by the custodian directly from the client's accounts with client written authorization. Each time a fee is directly deducted from a client's account,

the advisor will concurrently send the client an invoice itemizing the fee. Itemization includes the formula used to calculate the fee, the amount of assets under management the fee is based on, and the end of business day time period covered by the fee. Heritage Capital Advisors encourages clients to compare the invoices received from Heritage Capital Advisors with those provided by the custodian to ensure fees are correct. Lower fees for comparable services may be available from other sources.

The investment management agreement will continue in effect until terminated by either party by giving to the other ten business days written notice. Client may terminate the Agreement within five (5) business days of signing, without penalty.

### ***Sub-Advisor Fees***

HERITAGE CAPITAL ADVISORS, LLC may also act as a sub-advisor (third party advisor to assist in management of a client portfolio) to other investment advisors to purchase or sell security positions based on analysis at their sole discretion) to unaffiliated third-party advisors and HERITAGE CAPITAL ADVISORS, LLC would receive a fixed asset-based fee according to assets under advisement payable by the third-party advisor. The fees charged are negotiable and will not exceed any limit imposed by any regulatory agency. This relationship will be memorialized in each contract between HERITAGE CAPITAL ADVISORS, LLC and the third-party advisor.

The unaffiliated third-party advisor may terminate the sub-advisor agreement with or without cause at any time upon written notice to the HERITAGE CAPITAL ADVISORS, LLC at least 24-hours in advance of the next trading session. HERITAGE CAPITAL ADVISORS, LLC may terminate the agreement with or without cause at any time upon one week's prior written notice to the unaffiliated third-party advisor. The unaffiliated third-party advisor will pay the prorated portion of the fees as of the termination date. The termination of the unaffiliated third-party by its client will automatically terminate HERITAGE CAPITAL ADVISORS, LLC's role as the sub-advisor.

### ***Client and Portfolio Consultation Fees***

For Client and Portfolio consultation, HERITAGE CAPITAL ADVISORS, LLC may charge on either an hourly rate or a flat fee basis, depending on client needs. The hourly service is more appropriate if an individual needs guidance or advice on a specific issue. Examples include review of investment portfolios, access options for debt management, or to research available options for college savings plans.

A maintains an ownership interest through a separate L.P. in NY, which provides research and related services to

## **B. Payment of Fees**

### ***Payment of Investment Supervisory Fees***

Advisory fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid monthly or quarterly in advance or monthly or quarterly in arrears. Fees will be reflected in client's monthly custodial statements.

### ***Payment of Sub-Advisor Fees***

Sub-advisor fees (fees charge by a third party advisor to assist in management of a client portfolio), are payable by third-party advisors applying fixed basis points to assigned assets, and not by their clients directly. Third-party advisors may be invoiced for such fees, as provided by contract between HERITAGE CAPITAL ADVISORS, LLC and the applicable third-party advisor. Sub-Advisory service fees range from a fixed 20-30 basis points annually of assets under advisement, ranging depending on the number of clients/assets and complexity of selected trading programs, payable to HERITAGE CAPITAL ADVISORS, LLC directly by the third-party advisor. It is not the practice of HERITAGE CAPITAL ADVISORS, LLC to directly contract with and/or bill third-party advisors.

### ***Client and Portfolio Consultation Fees***

Heritage Capital Advisors, LLC generally charges client and portfolio consultation services under a stand- alone engagement. These fees are negotiable, but will be up to \$5000.00 on a fixed fee basis and/or from \$150.00 to \$500.00 on an hourly basis, depending upon the scope and complexity of the consulting services. If the client engages HERITAGE CAPITAL ADVISORS, LLC for additional investment advisory services, HERITAGE CAPITAL ADVISORS, LLC may offset all or a portion of its fees for those services based upon the amount paid for the consulting services. Client and Portfolio consultation, HERITAGE CAPITAL ADVISORS, LLC may charge on either an hourly rate or a flat fee basis, depending on client needs. The hourly service is more appropriate if an individual needs guidance or advice on a specific issue. Examples include review of investment portfolios, access options for debt management, or to research available options for college savings plans.

The terms and conditions of the consulting engagement are set forth in the Advisory Agreement or consulting agreement. If the client cancels the agreed upon services within the first week of signing the agreement, HERITAGE CAPITAL ADVISORS, LLC will refund 50% of the fee. HERITAGE CAPITAL ADVISORS, LLC does not take receipt of \$1,250.00 or more in prepaid fees in excess of six months in advance of services rendered

### **C. Clients Are Responsible for Third-Party Fees**

Clients may be 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 HERITAGE CAPITAL ADVISORS, LLC. Please see Item 12 of this brochure regarding broker/custodian.

### **D. Prepayment of Fees**

Fees are paid either monthly or quarterly in advance or arrears, and clients may terminate their contracts with ten days' written notice. If Investment Advisory contract is terminated, Heritage Capital Advisors, LLC will pro-rate the fee for the portion of the month or quarter where services were provided and return residual to client.

#### **E. Outside Compensation for the Sale of Securities to Clients**

HERITAGE CAPITAL ADVISORS, LLC does not receive compensation for the sale and management of securities or other investment products including based sales charges or service fees from the sales of annuities.

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

HERITAGE CAPITAL ADVISORS, LLC does not receive Performance-based fees nor conducts side-by-side management.

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

HERITAGE CAPITAL ADVISORS, LLC generally provides management supervisory and institutional consulting services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Institutional Clients

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

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

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

HERITAGE CAPITAL ADVISORS, LLC's methods of analysis include fundamental analysis, technical analysis and cyclical analysis. Each of these methods may be assessed using quantitative measures, and the weightings of the methods themselves may vary over time.

*a) Fundamental analysis* involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

*b) Technical analysis* involves the analysis of past market data; primarily price and volume.

c) *Cyclical analysis* involved the analysis of business cycles to find favorable conditions for buying and/or selling a security.

### ***Investment Strategies***

HERITAGE CAPITAL ADVISORS, LLC can use short-term trading, short sales, margin transactions, and options writing (including covered options, uncovered options, or spreading strategies).

Heritage Capital Advisors, LLC uses multi-factor models to assist them in portfolio management. These include measuring the market valuation (stock earnings versus Treasury Bond yields), the direction/level of interest rates, market price trends, and investor psychology (optimism versus pessimism)

**Investing in securities involves a significant risk of loss that you, as a client, should be prepared to bear. The adviser's approaches may not be suitable for all investors. All investing is risky and past performance, whether actual or tested, is no guarantee of future results or profitability.**

## **B. Material Risks Involved**

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

a) *Fundamental analysis* concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

b) *Technical analysis* attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.

c) *Cyclical analysis* assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns and 2) if too many investors begin to implement this strategy, it changes the very cycles they are trying to take advantage of.

### ***Investment Strategies***

Short term trading, short sales, margin transactions, and options writing generally hold greater risk and clients should be aware that there is a material risk of loss using any of those strategies.

**Investing in securities involves a significant risk of loss that you, as a client, should be prepared to bear. The adviser's approaches may not be suitable for all investors. All investing is risky and past performance, whether actual or tested, is no guarantee of future results or profitability.**

### C. Risks of Specific Securities Utilized

HERITAGE CAPITAL ADVISORS, LLC attempts to seek investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets. However, it may utilize short sales, margin transactions, and options writing. Short sales, margin transactions, and options writing generally hold greater risk of capital loss and clients should be aware that there is a material risk of loss using any of those strategies. Reasonable restrictions on security selection and trading will be accepted for all HERITAGE CAPITAL ADVISORS, LLC model approaches to investing.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss. Mutual funds are not guaranteed or insured by the FDIC or any other government agency. You can lose money investing in mutual funds. All mutual funds have costs that lower investment returns. They can be of bond “fixed income” nature (lower risk) or stock “equity” nature (mentioned above).

**Equity** investment generally refers to buying shares of stocks by an individual or firms in return for receiving a future payment of dividends and capital gains if the value of the stock increases. There is an innate risk involved when purchasing a stock that it may decrease in value and the investment may incur a loss.

**Exchange Traded Funds/Notes (ETF/N):** Heritage Capital Advisors may utilize ETF/Ns to provide low-cost, diversified **access to a variety of asset classes, industry sectors, and international markets.** However, they may carry some unique risks. Like the underlying stocks, bonds or other asset classes or indices in which they seek to invest. ETF/N's carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding or counter-party bankruptcy), trading risk (position can be thinly traded leading to delays in execution), liquidity risk (low trading volume may cause lack of liquidity), and risk of change in Authorized Participants (may cause liquidity event because of lack or change of Authorized Participants and a possible difference between the actual trading price of the ETF/N and the NAV of the ETF/N). ETNs may also carry counter-party risk. Conflicts of interest may also arise due to Authorized Participants also holding the underlying assets that make up the ETF/N. Special risks may additionally apply to ETF/Ns that invest in commodities, derivatives or utilize inverse or levered positions which is noted specifically below

**Short-term trading** risks include liquidity, economic stability and inflation.

**Short sales/Inverse Funds:** risks include the upward trend of the market and the possibility of loss. Short selling/use of inverse funds is an investment strategy with a high level of inherent risk. The practice involves the selling of assets that the investor does not own. The investor borrows the assets from a third-party lender with the obligation of buying identical assets later to return to the third-party lender. Individuals who engage in this activity only profit from a decline in a price of the assets between the original date of sale and the date of repurchase. Conversely, the short seller will incur a loss if the price of the assets

risers. Other costs of shorting may include a fee for borrowing the assets and payment of any dividends paid on the borrowed assets. The risk of loss on a short sale is theoretically unlimited since the price of any asset can climb indefinitely.

**Leverage/ Margin/ Enhanced Funds:** Risk for traders based on margin can be described as the risk of losing more in exchange for the potential of gaining as much. Before creating margin positions or purchasing funds using leverage, it is important to understand this risk and to be willing to accept it or, if not, to avoid margin/ levered trading altogether.

**Margin transactions** use leverage that is borrowed from a brokerage firm as collateral.

**Options writing** involve a contract to purchase a security at a given price, not necessarily at market value, depending on the market.

**Please Note-Inverse/Enhanced Market Strategies:** As described above, Heritage Capital Advisor may utilize long and short mutual funds and/or ETF/Ns that are designed to perform in either an: (1) inverse relationship to certain market indices (at a rate of 1 or more times the inverse [opposite] result of the corresponding index) as an investment strategy and/or for the purpose of hedging against the downside market risk; and (2) enhanced relationship to certain market indices (at a rate of more than 1 times the actual result of the corresponding index) as an investment strategy and/or for the purpose of increasing gains in an advancing market. Enhanced or leveraged strategies come with additional and significant risk as losses are magnified as the daily compounding factor can have a detrimental impact on the owner for the shares. There can be no assurance that any strategy will prove profitable or successful. In light of these enhanced risks/rewards, a client may direct Heritage Capital Advisors, in writing, not to employ any or all such strategies for his/her/their/its accounts.

Investing in securities involves a significant risk of loss that you, as a client, should be prepared to bear. The adviser's approaches may not be suitable for all investors. All investing is risky and past performance, whether actual or tested, is no guarantee of future results or profitability.

## 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

Mr. Moenning was discharged from Sowell Management Services on 12/2017 for alleged unauthorized dissemination of proprietary strategy positions, transferring of firm documents through unapproved media platforms and using an unapproved outside email address. Mr. Moenning categorically denies these allegations. Mr. Moenning is seeking a remedy for these allegations. FINRA's BrokerCheck® may have additional information regarding the disciplinary history of David Donald Moenning that is not included in this brochure supplement.

( <http://brokercheck.finra.org/Support/TermsAndConditions.aspx>)

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

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

HERITAGE CAPITAL ADVISORS, LLC representatives are not registered as nor have pending applications to become a broker/dealer or as representatives of a broker/dealer. However, Mr. Moenning is also dually registered as an Investment Advisor Representative (IAR) through Eastsound Capital Advisors (ECA), an unaffiliated and separately owned RIA. Mr. Moenning receives approximately 35% of his income from this activity and he does not service any overlapping and/or retail clients of Heritage Capital Advisors and Eastsound Capital Advisors.

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

Neither HERITAGE CAPITAL ADVISORS, LLC nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

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

HERITAGE CAPITAL ADVISORS, LLC is required to disclose certain financial industry activities and affiliations. Through its Code of Ethics, HERITAGE CAPITAL ADVISORS, LLC requires all Investment Advisors to adhere to all Federal Securities Laws, firm policies and be properly licensed or registered with the appropriate agency prior to engagement with clients.

Conflicts of interest though unintentional, may arise. To manage potential conflicts of interests HERITAGE CAPITAL ADVISORS, LLC will ensure all pertinent material conflicts of interests are fully disclosed; Use its Policy and Procedures to mitigate these conflicts of interest; Inform clients through disclosure of potential conflicts of interest and its impact; or by avoiding the service or activity that gives rise to the conflict of interest.

#### **D. Selection of Other Advisors or Managers/Strategists and How This Advisor is Compensated for Those Selections**

HERITAGE CAPITAL ADVISORS, LLC may utilize strategies available on TD Ameritrade's asset management platform, which serves as sub-advisor for the purpose of executing third-party strategist trades. In the event the TD Ameritrade platform is selected, the client will receive additional disclosure and agreement documents from the platform prior to account activation. HERITAGE CAPITAL ADVISORS, LLC does not receive compensation from TD Ameritrade or any fund strategist thereon.

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

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

We have 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. Our Code of Ethics is available free upon request to any client or prospective client.

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

HERITAGE CAPITAL ADVISORS, LLC may recommend that clients buy or sell securities in which a related person to HERITAGE CAPITAL ADVISORS, LLC or HERITAGE CAPITAL ADVISORS, LLC has a material financial interest.

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

From time to time, representatives of HERITAGE CAPITAL ADVISORS, LLC may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of HERITAGE CAPITAL ADVISORS, LLC to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. HERITAGE CAPITAL ADVISORS, LLC will always document any transactions that could be construed as conflicts of interest and will always transact client business before or simultaneous to their own when similar securities are being bought or sold.

#### **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of HERITAGE CAPITAL ADVISORS, LLC may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of HERITAGE CAPITAL ADVISORS, LLC to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. HERITAGE CAPITAL ADVISORS, LLC will always transact client's transactions either before or simultaneous to its own when similar securities are being bought or sold.

## **Item 12: Brokerage Practices**

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

HERITAGE CAPITAL ADVISORS, LLC generally recommends that clients utilize the custody, brokerage and clearing services of TD AMERITRADE Institutional, a division of TD AMERITRADE, Inc. Member FINRA/SIPC ("TD Ameritrade"), an unaffiliated SEC-Registered Broker-Dealer and FINRA member. TD Ameritrade offers services to independently registered investment advisors which include custody of securities, trade execution, and clearance and settlement of transactions. The firm receives some benefit from TD Ameritrade through its participation in the TD Ameritrade Institutional program. The firm may recommend TD Ameritrade to clients for custody and brokerage services. The Custodian is chosen based on their relatively low transaction fees, client-matched services and access to mutual funds, options, ETFs/ETNs. HERITAGE CAPITAL ADVISORS, LLC will never charge a premium or commission on transactions, beyond the actual cost imposed by Custodian.

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

HERITAGE CAPITAL ADVISORS, LLC receives no direct research or products other than execution from a broker-dealer or third-party in connection with client securities transactions ("soft-dollar benefits"). If any benefit is received, it is purely coincidental. It is a consequence of our custodial relationship that we have access to online tools not available to the average retail client. However, HERITAGE CAPITAL ADVISORS, LLC may receive certain other indirect institutional benefits by virtue of its participation as an approved/on-platform Advisor, as described below.

Certain goods and services that HERITAGE CAPITAL ADVISORS, LLC obtains from its utilized custodians create conflicts of interest related to its recommendation of those services. By participation in institutional programs of custodians, HERITAGE CAPITAL ADVISORS, LLC is eligible to receive certain benefits, including various technological tools, items, and products that assist HERITAGE CAPITAL ADVISORS, LLC in managing and servicing its client accounts. In addition, certain discounts on products or services such as compliance, marketing, technology, and practice management products

or services provided by third-party vendors may apply. Such benefits create conflicts of interest because they indirectly influence HERITAGE CAPITAL ADVISORS, LLC's recommendation of custodial and brokerage services. Additional benefits include reimbursement or waiver of fees or expenses related to HERITAGE CAPITAL ADVISORS, LLC's business as an advisor, or the provision of services or other things of value for use in connection with its business. HERITAGE CAPITAL ADVISORS, LLC's receipt of such services also raises conflicts of interest by influencing its profitability in selecting the assets and trades placed for client accounts, as well as the recommendation of a custodian or broker.

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

HERITAGE CAPITAL ADVISORS, LLC receives no referrals from a broker-dealer or third-party in exchange for using that broker-dealer or third party.

### ***3. Clients Directing Which Custodian to Use***

HERITAGE CAPITAL ADVISORS, LLC may allow clients to direct HERITAGE CAPITAL ADVISORS, LLC to use a specific custodians to execute transactions on a case-by-case basis. Generally speaking; however, clients are requested to select an HERITAGE CAPITAL ADVISORS, LLC recommended custodian.

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

HERITAGE CAPITAL ADVISORS, LLC maintains the ability to block trade purchases across accounts. Block trading may benefit a large group of clients by providing HERITAGE CAPITAL ADVISORS, LLC the ability to purchase larger blocks resulting in smaller transaction costs to the client. Declining to block trade can cause more expensive trades for clients.

# **Item 13: Reviews of Accounts**

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

Client accounts are reviewed no less than annually by Heritage Capital Advisors, LLC staff. Accounts are reviewed with regards to their investment strategies and risk/reward 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, cash/liquidity needs, risk/reward profile changes, termination of employment, physical move, or inheritance).

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

Each client will receive at least quarterly from the custodian, a written report that details the client's account including assets held and asset value which will come from the custodian.

## **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)**

When acting as a sub-advisor, HERITAGE CAPITAL ADVISORS, LLC receives a fixed portion of the unaffiliated third-party advisor's client management fee. This may create a financial incentive because Heritage Capital Advisors, LLC may use some unaffiliated third-party advisors may pay a larger portion of their fee to HERITAGE CAPITAL ADVISORS, LLC. However, HERITAGE CAPITAL ADVISORS, LLC mitigates any conflicts of interest by always acting in the clients' best interest through its fiduciary duty. Additional information about these fees can be found in Item 5 above.

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

HERITAGE CAPITAL ADVISORS, LLC does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

## **Item 15: Custody**

HERITAGE CAPITAL ADVISORS, LLC, with client written authority, has limited custody of client's assets through direct fee deduction of HERITAGE CAPITAL ADVISORS, LLC's Fees only. If the client chooses to have fees withdrawn directly by the Custodian, HERITAGE CAPITAL ADVISORS, LLC would have constructive custody over that account and must have written authorization from the client to do so. HERITAGE CAPITAL ADVISORS, LLC reviews money handling activity of the client accounts and of the advisor to ensure that custody of client funds is not exercised beyond what is provided for in the Investment Management Agreement irrespective of the terms of the Advisor's Custodial Agreement. In addition the financial institutions that act as the qualified custodian for client accounts from which the firm retains the authority to directly deduct fees, have agreed to send statements not less than quarterly detailing all account transactions including any amount paid to HERITAGE CAPITAL

ADVISORS, LLC. Clients will receive all required account statements and billing invoices that are required in each jurisdiction.

### **Item 16: Investment Discretion**

For those client accounts where HERITAGE CAPITAL ADVISORS, LLC provides ongoing supervision, the client has given HERITAGE CAPITAL ADVISORS, LLC written discretionary authority over the client's accounts with respect to securities to be bought or sold and the amount of securities to be bought or sold. Details of this relationship are fully disclosed to the client before any advisory relationship has commenced. The client provides HERITAGE CAPITAL ADVISORS, LLC discretionary authority via a limited power of attorney in the Investment Advisory Contract and in the contract between the client and the custodian.

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

HERITAGE CAPITAL ADVISORS, LLC will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

### **Item 18: Financial Information**

#### **A. Balance Sheet**

HERITAGE CAPITAL ADVISORS, LLC does not require nor solicit prepayment of more than \$500 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

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

Neither HERITAGE CAPITAL ADVISORS, LLC nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

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

HERITAGE CAPITAL ADVISORS, LLC has not been the subject of a bankruptcy petition in the last ten years.

### **Item 19: Requirements for State Registered Advisors**

**A. Principal Executive Officers and Management Persons; Their Formal Education and Business Background**

HERITAGE CAPITAL ADVISORS, LLC has one management person/executive officer; David Moenning. Mr. Moenning's education and business background can be found on the Supplemental ADV Part 2B form.

**B. Other Businesses in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those (If Any)**

Mr. Moenning is also a signal provider for RIA's. In this capacity he provides market signals to RIA's for use in determination of portfolio composition. .

**C. How Performance Based Fees are Calculated and Degree of Risk to Clients**

HERITAGE CAPITAL ADVISORS, LLC 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.

**D. Material Disciplinary Disclosures for Management Persons of this Firm**

Mr. Moenning was discharged from Sowell Management Services on 12/2017 for alleged unauthorized dissemination of proprietary strategy positions, transferring of firm documents through unapproved media platforms and using an unapproved outside email address. Mr. Moenning categorically denies these allegations. Mr. Moenning is seeking a remedy for these allegations. FINRA's BrokerCheck® may have additional information regarding the disciplinary history of David Donald Moenning that is not included in this brochure supplement.

( <http://brokercheck.finra.org/Support/TermsAndConditions.aspx>)

**E. Material Relationships That Management Persons Have With Issuers of Securities (If Any)**

Neither HERITAGE CAPITAL ADVISORS, LLC, nor its management persons, has any relationship or arrangement with issuers of securities.