

Item 1. Cover Page

FLORENCE CAPITAL ADVISORS, LLC

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Part 2A of Form ADV (The “Brochure”)

November 6, 2023

This Form ADV Part 2A (“Brochure”) provides information about the qualifications and business practices of Florence Capital Advisors, LLC (“FCA,” the “Firm”, “us” or “we”). If you have any questions about the contents of this brochure, please contact Gregory Hersch at 212-202-3296 or ghersch@florencecapital.com. This information has not been approved or verified by the Securities and Exchange Commission (the “SEC”) or by any state securities authority.

FCA is an investment adviser registered with the SEC; however, such registration does not imply a certain level of skill or training, and no inference to the contrary should be made.

Additional information about the Adviser also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2. Material Changes

FCA considers the following information contained in this version of the Brochure to represent a material change from the information contained in its most recent previous annual update version dated October 18, 2023:

Item 9 - Disciplinary Information – added disclosures relating to discipline relating to recent SEC Order.

Item 10 – updated to reflect that Mr. Hersch no longer serves as a member of the Board of Directors of CoreWeave, Inc.

Item 11 – updated to add language relating to principal and cross-trading activity and disclosures regarding related conflicts of interest.

Item 17 – Voting Client Securities – updated to reflect that FCA’s current policy is to not vote proxies on securities held in clients’ accounts.

In addition to the material changes referenced above, certain non-material updates have been made. Therefore, our current and prospective clients are encouraged to read this Brochure, as well as all the governing documents applicable to their current or prospective investments, in their entirety.

Pursuant to SEC Rules, FCA will ensure that clients receive a summary of any materials changes to this Brochure within 120 days of the close of the Firm’s fiscal year, along with a copy of this Brochure or an offer to provide the full Brochure. Additionally, as FCA experiences material changes in the future, we will send you a summary of our “Material Changes” under separate cover.

To receive a current copy of this Brochure free of charge, please contact Gregory Hersch at 212-202-3296 or ghersch@florencecapital.com. Information about the Firm is also available via the SEC’s web site at www.adviserinfo.sec.gov. The SEC’s web site provides information about any persons affiliated with FCA who are registered, or are required to be registered, as investment adviser representatives of FCA.

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Item 4. Advisory Business

FCA offers a variety of advisory services, which include financial planning and consulting, and/or investment management services to various types of clients, including individuals, high net worth clients, trusts, and charitable organizations. Prior to FCA rendering any of the foregoing advisory services, clients are required to enter into one or more written agreements with FCA setting forth the relevant terms and conditions of the advisory relationship (the “Advisory Agreement”).

FCA has been owned by Gregory Hersch since October 16, 2015. Mr. Hersch serves as FCA’s Chief Executive Officer, Managing Member, and Chief Compliance Officer.

As of December 31, 2022, FCA had \$116,997,907 in assets under management; \$12,931,069 of which was managed on a discretionary basis and \$104,066,838 of which was managed on a non-discretionary basis. In addition, as of December 31, 2022, FCA had \$10,135,814 in assets under advisement where the firm is performing investment consulting services.

While this Brochure generally describes the business of FCA, certain sections also discuss the activities of the Firm’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on FCA’s behalf and is subject to the Firm’s supervision or control (collectively, “Supervised Persons”).

Financial Planning and Consulting Services

FCA offers clients a broad range of financial planning and consulting services, which includes any or all of the following functions:

- Business Planning
- Cash Flow Forecasting
- Trust and Estate Planning
- Financial Reporting
- Investment Consulting
- Insurance Planning
- Retirement Planning
- Risk Management
- Charitable Giving
- Distribution Planning
- Portfolio Construction
- Manager Due Diligence

These services are typically rendered in conjunction with investment portfolio management as part of a comprehensive wealth management engagement (described in more detail below).

Importantly, clients retain absolute discretion over all decisions regarding implementation of any recommendations provided by any FCA representative, including Mr. Hersch, and are under no obligation to act upon any such recommendations. Please refer to Items 5 and 10 below for further information.

Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising FCA's recommendations and/or services.

Wealth Management Services

FCA provides clients with wealth management services which include a broad range of comprehensive financial planning and consulting services as well as discretionary and/or non-discretionary management of investment portfolios.

FCA generally allocates client assets among various mutual funds, exchange-traded funds ("ETFs"), individual debt and equity securities, liquid alternative securities, options on equity securities, and independent investment managers ("Independent Managers") in accordance with their stated investment objectives, and with respect to certain eligible clients, From time to time, FCA recommends investments in privately placed securities, which can include debt, equity and/or interests in pooled investment vehicles such as hedge funds, private equity funds, venture capital funds, direct lending funds, and real estate funds as well as direct investments into privately held companies.

Where appropriate, the Firm also provides advice about any type of legacy position or other investments held in client portfolios. Clients may engage FCA to manage and/or advise on certain investment products that are not maintained at FCA's primary custodian. At the client's request, FCA will include these investments in its quarterly investment reports provided to clients.

FCA tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. FCA consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. Clients are advised to promptly notify FCA if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. FCA is not required to verify any information received from the client or from the client's other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information while providing advisory services to clients.

Clients may impose reasonable restrictions or mandates on the management of their accounts if FCA determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

Use of Independent Managers

As mentioned above, FCA will, from time to time, recommend certain Independent Managers to actively manage a portion of its clients' assets. The specific terms and conditions under which a client engages an Independent Manager will be set forth in a separate written agreement with the designated Independent Manager. In addition to this Brochure, clients will also receive the written disclosure documents of the respective Independent Managers engaged to manage their assets.

FCA evaluates a variety of information about Independent Managers, which usually includes, but is not limited to the Independent Managers' public disclosure documents, materials supplied by the Independent Managers themselves and other third-party analyses it believes are reputable. To the extent possible, the Firm seeks to assess the Independent Managers' investment strategies, past performance, and risk results in relation to its clients' individual portfolio allocations and risk exposure. FCA also takes into consideration each Independent Manager's specific investment strategy, investment process, the quality of its executive management, historical returns, current positioning, reputation, financial strength, reporting, pricing and research capabilities, among other factors.

On an ongoing basis, the Firm monitors the performance of those accounts being managed by Independent Managers. FCA seeks to ensure the Independent Managers' strategies and target allocations remain aligned with its clients' investment objectives and overall best interests.

Item 5. Fees and Compensation

FCA offers services for a fee based upon assets under management ("AUM"), which is based on billable assets as set forth in each client's investment management agreement.

In addition, FCA and/or its affiliates have received in the past consulting or advisory fees from two private funds - FF Fund I, L.P. and Title Arbitrage Group, LLC in which FCA clients have invested. The non-recurring consulting services provided to the General Partner of Title Arbitrage Group were comprised of guidance on how to improve the fund's marketing presentation and messaging to potential investors at the outset of the fund's inception. The services provided to FF Fund I included but were not limited to recommending private investments that were sourced by FCA, some of which were also invested in by other clients of FCA. The fee arrangements described in this paragraph are no longer active.

The additional compensation referenced in the preceding paragraphs presents a conflict of interest, as it previously created an incentive to make recommendations to clients based on such compensation. Please refer to additional information below and in Item 10 regarding, among other things, how FCA addresses the conflict.

Investment Management Fees

FCA offers investment management services for an annual fee based on the amount of assets under the Firm's management. This management fee generally varies between 0.50% and 1.25%, depending upon the

size and composition of a client's portfolio and the type of services rendered. The annual fee is prorated and charged quarterly, in arrears, based upon the daily average value of the client's managed assets (including cash, cash equivalents and accrued interest) during the prior quarter being managed by FCA, as valued by the custodian or FCA's third party reporting service provider, which is utilized for calculating fees on Alternative Investments not held with FCA's custodian.

For the initial period of an engagement, the fee is calculated on a *pro rata* basis and charged at the end of the initial quarter.

In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding portion of the fee is charged to the terminating client, as appropriate.

Fee Discretion

FCA has in the past and may in the future, in its sole discretion, negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, account retention and pro bono activities. In addition, for certain family and friends of the Firm, FCA has, and can do so again in the future, negotiated reduced fees and in some cases waived fees in their entirety.

Additional Fees and Expenses

In addition to the advisory fees paid to FCA, clients generally will also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively "Financial Institutions"). These additional charges generally include securities brokerage commissions, transaction fees, custodial fees, fees attributable to alternative assets, fees charged by the Independent Managers, margin costs, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. The Firm's brokerage practices are described at length in Item 12, below. Clients may also incur separate fees for financial planning and consulting services provided by FCA as separately provided for in the clients' agreements with FCA.

Clients should review all applicable direct and indirect fees charged, including but not limited to custodian fees, transaction fees, fees associated with all investments (e.g., mutual funds and ETFs, insurance products), and advisory fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided. It is important that clients understand how all these fees can affect investment returns over time. For further information, please refer to the SEC's Investor Bulletin at <https://www.investor.gov/introduction-investing/general-resources/news-alerts/alerts-bulletins/investor-bulletins/updated>.

Clients can avoid paying layers of fees by making their own decisions regarding the investments made in their accounts. However, in doing that, clients would not have the benefit of receiving experienced

investment advice provided by FCA.

Direct Fee Debit and Billing

Clients generally provide FCA with written authority through the advisory agreement to directly debit their accounts for payment of the investment advisory fees. 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 to client not less than quarterly detailing all account transactions, including any amounts paid to FCA.

Beginning in the 2nd quarter of 2021, FCA's management fees charged to clients that have their managed assets held at Interactive Brokers, LLC ("IB"), which is the custodian that FCA recommends to clients, will be calculated, billed, and paid to FCA by IB. As mentioned above, the fees will be calculated on the average daily balance of a client's managed assets and billed in arrears.

The fees for alternative investments (e.g., private investment vehicles) held in clients' accounts will be billed separately from other assets. At the beginning of each quarter, FCA will calculate the fee for these assets and send an invoice to each client for payment.

Use of Margin

There are times when clients implement margin on their managed accounts. In these cases, the FCA advisory fee will be assessed net of margin or loans such that the market value of the client's account and corresponding fee payable by the client to FCA will not be increased.

Account Additions and Withdrawals

Clients may make additions to and withdrawals from their account at any time. Additions may be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to FCA, subject to the usual and customary securities settlement procedures. However, the Firm generally designs its portfolios as long-term investments, and the withdrawal of assets can impair the achievement of a client's investment objectives. FCA may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they will be subject to, as applicable, transaction fees, short-term redemption fees, fees assessed at the mutual fund level (e.g., contingent deferred sales charges) and/or tax ramifications.

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

In certain circumstances FCA provides services for a performance-based fee as separately negotiated between FCA and the particular client. The performance-based fee creates an incentive for FCA to make more speculative investments and make different decisions regarding the timing and manner of the realization of such investments, than would be made if such performance-based fee was not part of the overall compensation structure, or to favor certain investments for clients that are charged a

performance-based fee than other clients who are not charged a performance-based fee. To maintain fair and equitable treatment of all of its clients, FCA takes steps to mitigate any potential conflicts of interest relating to this type of arrangement, which include disclosing the matter in this Brochure, assessing whether such a speculative investment is consistent with a particular client's stated investment objectives, always putting the interests of its clients first, and disclosing the performance-based fee investments to prospective and existing clients.

Additionally, FCA has recommended in the past a privately placed collective investment vehicle to its clients where a former client was the manager to such vehicle (the "Client Manager"). FCA received a consulting fee for consulting services it provided to the General Partner of Title Arbitrage Group Management, LLC, a private fund manager in which the investment vehicle, Florence Capital Advisors SPV II, LLC ("SPV II") had invested. The consulting payment by Title Arbitrage was disclosed to investors via email by FCA in 2018. FCA takes steps to mitigate any potential conflicts of interest relating to this type of arrangement, which include disclosing the matter in this Brochure, disclosing the relationship to prospective and existing clients, putting the interests of its clients first, while seeking to ensure that all recommendations are made in its clients' best interest. Flo Cap, LLC ("Flo Cap"), an affiliate of FCA, which has acted as the Investment Member of five SPVs, resigned as Investment Member of Florence Capital Advisors SPV II, LLC and Florence Capital Advisors SPV IV, LLC in 2020 due to the fact that the SPVs pay no management or advisory fees to FCA or Flo Cap per the terms of each SPV operating agreement. In so doing, Flo Cap also waived its right to receive any future incentive fees from the SPVs.

There have been times in the past when FCA advised a private fund client in which side-by-side management occurred. This means that an FCA separately managed account client could invest in the same investment that was invested in by the private fund and vice-versa. When this occurred, it resulted in the separately managed account client paying advisory fees to both FCA and the private fund relating to the same investment. FCA has no plans for this to occur again, but should this occur in the future, FCA will ensure that written disclosures are provided to investors in the private fund and to the separately managed account clients.

Item 7. Types of Clients

FCA offers services to individuals, individual retirement accounts (IRAs), high net worth individuals, trusts, foundations, and business entities.

FCA no longer serves as investment adviser to any pooled investment vehicles.

Minimum Account Requirements

FCA does not impose a stated minimum fee or minimum portfolio value for starting and maintaining an investment management relationship. Certain Independent Managers may, however, impose more restrictive account requirements and billing practices from the Firm. In these instances, FCA may alter its corresponding account requirements and/or billing practices to accommodate those of the Independent Managers.

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

Methods of Analysis and Investment Strategies

FCA primarily allocates client assets among various mutual funds, exchange-traded funds (“ETFs”), individual debt and equity securities, liquid alternative securities, options on equity securities, and independent investment managers (“Independent Managers”) in accordance with their stated investment objectives. In addition, FCA may also recommend that certain eligible clients invest in privately placed securities, which may include debt, equity and/or interests in pooled investment vehicles (e.g., hedge funds, private equity, venture capital, direct lending, real estate as well as direct investments in privately held companies).

FCA tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. FCA consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. Clients are advised to promptly notify FCA if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if FCA determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm’s management efforts.

Risk of Loss

Investing in securities involves a significant risk of loss which clients should be prepared to bear. FCA investment recommendations are subject to various market, currency, economic, political, and business risks, and such investment decisions may not always be profitable. Clients should be aware that there may be a loss or depreciation of the value of the client’s account. There can be no assurance that the client’s investment objectives will be obtained and no inference to the contrary should be made.

Past performance is not indicative of future results. Therefore, clients should never assume that the future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, bonds, and private investment funds, etc.) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk.

Because of the inherent risk of loss associated with investing, FCA is unable to represent, guarantee, or even imply that its services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines, or the declines of individual securities or investments.

Market Risks

Investing involves significant risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of a significant portion of FCA’s recommendations and/or

investment decisions may depend to a great extent upon correctly assessing the future course of price movements of stocks, bonds and other asset classes. There can be no assurance that FCA will be able to predict those price movements accurately or capitalize on any such assumptions.

Mutual Funds and ETFs

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss. Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders' fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and potentially more frequently for actively managed ETFs.

However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

Use of Independent Managers

As stated above, FCA may select certain Independent Managers to manage a portion of its clients' assets. In these situations, FCA continues to conduct ongoing due diligence of such managers, but such recommendations rely to a great extent on the Independent Managers' ability to successfully implement their investment strategies. In addition, FCA generally may not have the ability to supervise the Independent Managers on a day-to-day basis.

Use of Private Collective Investment Vehicles

FCA recommends that certain clients invest in privately placed collective investment vehicles. This may include but is not limited to hedge funds, private equity funds, venture capital funds, direct lending funds, and real estate. The managers of these vehicles have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments which may be traded, and there is no requirement to diversify. The vehicles may trade on margin or otherwise leverage positions, thereby potentially increasing a vehicle's risk profile. In addition, because the vehicles are not registered as investment companies, there is an absence of regulation. There are numerous other risks in investing in

these securities and the specific vehicles that the Firm may recommend. Clients should consult each fund's private placement memorandum and/or other documents explaining such risks prior to investing.

Options

Options allow investors to buy or sell a security at a contracted "strike" price at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge (i.e., limit) losses in an attempt to reduce risk or to speculate on the performance of the underlying securities. Options transactions contain a number of inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase/decrease to the level of the respective strike price. Holders of options contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations. Options come in two varieties, calls and puts, and you can buy or sell either type. There are many types of option strategies, some of which help protect your portfolio and others which are highly speculative. In addition to the short-term expiration, the value of the option is affected by news on the company on which the option is held. Prior to buying or selling an option, clients should read "Characteristics and Risks of Standardized Options." Copies of this document may be obtained from your financial advisor, on the web: www.optionsclearing.com/components/docs/riskstoc.pdf, or by contacting The Options Clearing Corporation, One North Wacker Dr., Suite 500, Chicago, IL 60606 (1-888-678-4667).

Real Estate Investment Trusts (REITs)

FCA may recommend an investment in, or allocate assets among, various real estate investment trusts ("REITs"), the shares of which exist in the form of either publicly traded or privately placed securities. REITs are collective investment vehicles with portfolios comprised primarily of real estate and mortgage related holdings. Many REITs hold heavy concentrations of investments tied to commercial and/or residential developments, which inherently subject REIT investors to the risks associated with a downturn in the real estate market. Investments linked to certain regions that experience greater volatility in the local real estate market may give rise to large fluctuations in the value of the vehicle's shares. Mortgage related holdings may give rise to additional concerns pertaining to interest rates, inflation, liquidity and counterparty risk.

Use of Margin

While the use of margin borrowing can substantially improve returns, it may also increase overall portfolio risk. Margin transactions are generally effected using capital borrowed from a Financial Institution, which is secured by a client's holdings. Under certain circumstances, a Financial Institution may demand an increase in the underlying collateral. If the client is unable to provide the additional collateral, the Financial Institution may liquidate account assets to satisfy the client's outstanding obligations, which could have extremely adverse consequences. In addition, fluctuations in the amount of a client's borrowings and the corresponding interest rates may have a significant effect on the profitability and stability of a client's portfolio.

There are certain additional risks associated with the securities recommended and strategies utilized by

FCA including, among others:

- Sector risk – The chance that significant problems will affect a particular sector, or that returns from that sector will trail returns from the overall stock market. Daily fluctuations in specific market sectors are often more extreme than fluctuations in the overall market.
- Non-diversification risk – The risk of focusing investments in a small number of issuers, industries, or foreign currencies, including being more susceptible to risks associated with a single economic, political, or regulatory occurrence than a more diversified portfolio might be.
- Equity (stock) Market Risk – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Fixed Income Risk – When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- Interest rate risk – The chance that prices of fixed income securities will decline because of rising interest rates. Similarly, the income from fixed income securities may decline because of falling interest rates.
- Reinvestment Risk – The risk that interest and principal payments from a bond will be reinvested at a lower yield than that received on the original bond. During periods of declining interest rates, bond payments may be invested at lower rates; during periods of rising rates, bond payments may be invested at higher rates.
- Closed-End Investment Company Risk – Closed-end investment companies frequently trade at a discount to their net asset value, which may affect whether a portfolio will realize gain or loss upon its sale of the closed-end investment company's shares. Closed-end investment companies may employ leverage, which also subjects the closed-end investment company to increased risks such as increased volatility.
- Management Risk – Your investment with our firm varies with the success and failure of our investment strategies, research, analysis, and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.
- Opportunity Cost Risk – The risk that an investor may forego profits or returns from other investments.
- Debt Securities Risk - Debt Securities (corporate or municipal bonds) (aka fixed income securities) generally are promissory notes that pay interest and the return of principal at the end of a specified term. Credit risk is the chance the issuer will fail to pay the interest payments on the security or to pay the principal at maturity. Interest rate risk is that the market value of the bonds will go down when interest rates go up. Prepayment risk is the chance that a bond will be paid off early. For example, if interest rates fall, a bond issuer may decide to pay off its debt. When this happens, the investor may not be able to reinvest the proceeds in an investment with as high a return or yield.
- High Yield Bonds Risk – High yield bonds have a lower credit rating than investment-grade bonds.

Because of the higher risk of default, these bonds pay a higher yield than investment grade bonds.

- Alternative Investments Risk - Alternative investments, including private equity, private real estate, non-traded REITs, Business Development Companies, and Private Placements are recommended only for accredited investors if the product fits the client's stated financial situation, investment objectives, risk tolerance and time horizon. These investments are subject to legal or other restrictions on liquidity that do not exist for other publicly traded (liquid) investments. Investors in alternatives may not be able to sell when desired or to realize anticipated or reported value when sold. Also, the calculation of fair market value of alternatives can be difficult or delayed and alternatives typically have fees that are higher compared to publicly traded securities. Alternative Investments and Private Placements often are high risk products, are illiquid in almost all cases, and generally offer a high dividend rate to the investor as an offset to the increased risk and illiquidity. There is increased risk of partial or full loss of value when investing in illiquid securities.
- Private Fund and Other Private Investments / Illiquid Investments - Some investments held by clients may not be able to be sold except pursuant to a registration statement filed under the Securities Act of 1933 or in accordance with Rule 144 or another exemption under the Securities Act of 1933 (and other applicable securities laws). Furthermore, because of the speculative and non-public nature of some investments, FCA may, from time to time, sell or otherwise dispose of investments (or recommend that clients sell or dispose of investments) that later prove to be more valuable than anticipated at the time of such disposition. Any premature sales or dispositions may prevent clients from realizing as great an overall return on investment as may have been realized if such sales or dispositions had been made at a later date, which may adversely affect investment results of clients. A client and underlying funds and managers may invest in securities that are subject to legal or other restrictions on transfer. Clients and underlying funds may be contractually prohibited from disposing of such investments for a specified period of time.

THE FOREGOING RISKS DO NOT PURPORT TO BE A COMPLETE DESCRIPTION OF ALL OF THE RISKS ASSOCIATED WITH FCA'S ADVISORY SERVICES.

Item 9. Disciplinary Information

Please note that, through its ongoing monitoring and due diligence of existing client investments, FCA discovered and notified clients that one of the investments it had recommended, FF Fund I, L.P. ("FF Fund I"), had been managing its investment strategy inconsistently with its stated objectives. Upon further investigation of FF Fund I's activities, litigation was commenced by a client of FCA against FF Fund I and its Managing Member, Andrew T. Franzone, alleging fraud and breach of fiduciary duty in the Court of Chancery in Delaware on August 6, 2019. FF Fund I was also formerly a client of FCA. Neither FCA nor its principal Gregory Hersch (nor any of their affiliates) are parties to that litigation and FCA assisted in providing an affidavit in support of the plaintiff's allegations. On September 24, 2019, FF Fund I filed a voluntary petition under Chapter 11 of the bankruptcy laws in the United States District Court for the Southern District of Florida. The claims against FF Fund I are currently being addressed in the context of the bankruptcy proceeding. In April 2021, Mr. Franzone was arrested and charged with securities and wire fraud by the US Attorney's Office for the Southern District of New York, and he was simultaneously charged by the Securities and Exchange Commission for his activities as the Managing Member of FF Fund

I, LP. He is awaiting trial in New York Federal Court.

In December 2020, Flo Cap and Greg Hersch joined other current FCA clients as plaintiffs in a lawsuit filed in Delaware Chancery Court against Franzone alleging fraud, breach of fiduciary duty and breach of contract, and petitioning the Court for Franzone's removal as Managing Member of certain special purpose vehicles ("SPVs") created by FCA. The plaintiffs received a default judgment in their favor on June 1, 2022, and the SPVs' interests have since been transferred to their respective members on a pro rata basis (except for one of the SPVs which is still in the process of completing transfers to its members). Three of the four SPVs have been dissolved.

On December 16, 2020, FCA and its principal, Gregory Hersch, were named as parties in a private arbitration proceeding brought by a former client of FCA alleging breach of fiduciary duty, fraud, and misrepresentation, among other allegations. The claims stemmed from the former client's investments in FF Fund I, a private investment fund, and the alleged fraudulent activities of its Managing Member, Andrew T. Franzone. FCA and Mr. Hersch elected to settle this matter in order to avoid protracted and costly litigation, and in order for Mr. Hersch to obtain assignment of the Claimant's interests in the liquidating trust of FF Fund I, which was a material consideration to Mr. Hersch in resolving this matter. Mr. Hersch and FCA deny all of the allegations in the settled matter. After conducting a hearing regarding this claim, an independent arbitrator of the American Arbitration Association issued an award on May 2, 2022, concluding that the allegations by the customer were "false" and recommending expungement of the claim from Mr. Hersch's FINRA records. Among other things, the arbitrator found that the investment recommendation at issue was made in "good faith," was reasonable at the time it was made and Claimant, a sophisticated investor, had his own advisors who concluded this was a sound investment. The arbitrator's award was confirmed by the New York Supreme Court in an order dated July 26, 2022.

On September 29, 2023, the SEC published an Order of Settlement between it and Registrant and Gregory Hersch ("Respondents") relating to the SEC's finding that the Respondents failed to adequately disclose conflicts of interest in connection with client investments in a third-party private fund, FF Fund I, L.P. (the "Fund"), from which Registrant was receiving substantial advisory fees, and that Registrant received fees from the Fund pursuant to advisory agreements while recommending investments in the Fund to Registrant's clients and advising Registrant's clients on their existing investments in the Fund. Without admitting or denying the findings, Respondents consented to the entry of the SEC's Order finding violations of Section 206(2) of the Advisers Act, and agreed to a cease-and-desist order against future violations of this provision, a censure, and a \$200,000 civil penalty.

Item 10. Other Financial Industry Activities and Affiliations

Mr. Hersch is on the Board of Directors of Halo Maritime Defense Systems, Inc. ("Halo") and ModernGuild, Inc. ("ModernGuild"). In these cases, he serves as his clients' board representative on behalf of their respective investments in these companies. Mr. Hersch received stock options in Halo in 2013. He does not receive annual compensation for his time and service to these companies. He does not receive compensation from ModernGuild although he has made a personal investments in the company at

the same terms as his clients.

FCA addresses conflicts of interest by requiring its representatives, including Mr. Hersch to always act in the best interest of the client, including when acting as an investment adviser representative. FCA will periodically review recommendations made to our clients to ensure they are based on an objective evaluation of each client's risk profile and investment objectives rather than on the receipt of any commissions or other benefits. In addition, FCA discloses, mainly via its Form ADV Part 1, Part 2A, Part 2B and Form CRS, how the firm and its supervised persons are compensated, along with the conflicts of interest involving any advice or service provided.

As mentioned in Item 7 above, FCA no longer serves as investment adviser to any pooled investment vehicles.

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

Code of Ethics

FCA has adopted a code of ethics in compliance with applicable securities laws (“Code of Ethics”) that sets forth the standards of conduct expected of its Supervised Persons. FCA’s Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its Supervised Persons and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of FCA’s personnel to report their personal securities holdings and transactions (e.g., initial public offerings, limited offerings).

These reporting requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers’ acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Also, under the Code of Ethics, the Firm’s Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner that is consistent with the Firm’s policies and procedures. Personal trading activity by FCA’s Supervised Persons creates a conflict of interest, especially when any Supervised Person is trading in the same securities as clients. As a fiduciary, FCA and its Supervised Persons have an affirmative duty of care and loyalty and must always act in the best interests of clients.

Clients and prospective clients may contact FCA to request a copy of its Code of Ethics.

Principal Trading and Cross-Trading

From time to time, FCA (including its principal owners and/or control persons) trades on a principal basis with a client’s account (a “principal trade”) or causes one client account to sell securities to another client

account (a “cross-trade”). This activity is not a regular component of FCA’s business or advisory activities, however, FCA expects to participate occasionally in such transactions in the future subject to client consent. FCA will only engage in principal transactions or cross-trades when it is determined that such transactions are in the best interests of clients.

Conflicts arise when FCA effects cross-trades or principal trades because (i) regarding principal trades, FCA has an incentive to favor its (or the interests of its associated persons involved in the principal trade), and (ii) regarding cross-trades, FCA could have an incentive to favor one client over another.

FCA has adopted a principal trading and cross-trading policy to address potential conflicts that might arise from principal trades or cross-trades. FCA addresses such conflicts by disclosing them in this Brochure. In addition, FCA follows its principal trading and cross-trading policy which, among other things, prohibits FCA from effecting a principal trade or cross-trade if one of the clients is an ERISA client and permits FCA to effect principal or cross-trades between non-ERISA clients and accounts subject to certain restrictions, including the requirements that:

- The clients involved are not ERISA accounts;
- Each trade is effected at the current market price of the security (for securities traded in public markets) or reasonable market value (if market quotes are not available);
- The transaction is consistent with the investment restrictions and guidelines of each participating client;
- Neither FCA nor its associated persons receives compensation for effecting the trade; and
- The trade is consented to in writing by the client in advance of or prior to settlement of the trade.

Item 12. Brokerage Practices

Recommendation of Broker/Dealers for Client Transactions

FCA generally recommends that clients utilize the custody, brokerage and clearing services of a qualified custodian for investment management accounts. Factors which FCA considers in recommending a custodian or broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. A Qualified Custodian may enable the Firm to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by a Qualified Custodian may be higher or lower than those charged by other Financial Institutions. Currently, FCA recommends that clients custody their managed account assets at IB.

When performing investment management services, FCA will place transactions for client accounts through the client’s appointed custodian (e.g., IB) since the custodian generally does not charge custodian fees so long as transactions for client accounts are executed through them as broker-dealer. However, FCA periodically evaluates the commissions charged and the service provided by broker-dealer custodians and compares those with other broker-dealers to evaluate whether overall best qualitative execution has been achieved (“best execution”). However, the broker-dealer custodian recommended by the Firm may not

provide the lowest commission rate available taking into consideration factors outlined above.

Clients may pay commissions that are higher than another qualified broker-dealer custodian might charge to affect the same transaction where FCA determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of services provided by a broker-custodian, including among others, the value of any research provided, their execution capability, and commission rates and responsiveness. FCA seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Transactions may be cleared through other broker-dealers with whom the Firm and its custodians have entered into agreements for prime brokerage clearing services. Should an account make use of prime brokerage, the Client may be required to sign an additional agreement, and additional fees are likely to be charged.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker/dealers in return for investment research products and/or services which assist FCA in its investment decision-making process. Such research generally will be used to service all of the Firm's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because FCA does not have to produce or pay for the products or services. A Qualified Custodian may compensate the Firm's clients for a certain amount of fees for transitioning from another broker-dealer. The allocation to clients for these expenses will be done in the order of client transitions, and on a *pro rata* basis if necessary.

FCA periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

Software and Support Provided by Financial Institutions

FCA receives without cost from IB computer software and related systems support, which allow FCA to better monitor client accounts maintained at IB. FCA receives the software and related support without cost because the Firm renders investment management services to clients that maintain assets with IB. The software and support is not provided in connection with securities transactions of clients (i.e., not "soft dollars"), but the amount of support is based upon the value of assets that clients place with IB. The software and related systems support benefits FCA, but not its clients directly. In fulfilling its fiduciary duties to its clients, FCA endeavors at all times to put the interests of its clients first. Clients should be aware, however, that FCA's receipt of economic benefits from IB creates a conflict of interest since these benefits can influence the Firm's choice of broker/dealer custodian over another that does not furnish similar software, systems support or services.

Specifically, from time-to-time FCA receives some or all the following benefits:

- Receipt of duplicate client confirmations and bundled duplicate statements;

- Access to a trading desk that exclusively services its institutional traders;
- Access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and
- Access to an electronic communication network for client order entry and account information.

There is no direct link between the Firm's participation in the IB program and the investment advice it gives to its clients, although FCA receives economic benefits through its participation that are typically not available to IB retail investors. The availability of these services from IB benefits FCA because the Firm does not have to produce or purchase them. FCA believes that our selection of IB as a recommended custodian and broker is in the best interests of our clients. It is primarily supported by the scope, quality and cost of IB's services to clients and not on IB's services that benefit only FCA. FCA is not affiliated with IB. No one at FCA is a registered representative of IB, and neither FCA nor its personnel receive any commissions or fees from recommending the services of IB.

Brokerage for Client Referrals

FCA does not consider, in selecting or recommending broker/dealers, whether the Firm receives client referrals from the Financial Institutions or other third party.

Directed Brokerage

The client may direct FCA in writing to use a particular Financial Institution to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that Financial Institution and the Firm will not seek better execution services or prices from other Financial Institutions or be able to "batch" client transactions for execution through other Financial Institutions with orders for other accounts managed by FCA (as described above). As a result, the client may pay higher commissions or other transaction costs, greater spreads or may receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, FCA may decline a client's request to direct brokerage if, in the Firm's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Trade Aggregation

Transactions for each client generally will be effected independently, unless FCA decides to purchase or sell the same securities for several clients at approximately the same time. FCA may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Firm's clients' differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among FCA's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which

FCA's Supervised Persons may invest, the Firm generally does so in accordance with applicable rules promulgated under the Investment Advisers Act of 1940 (the "Advisers Act") and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. FCA does not receive any additional compensation or remuneration as a result of the aggregation.

In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, the Firm may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Item 13. Review of Accounts

Account Reviews

FCA monitors client portfolios on a continuous and ongoing basis while regular account reviews are conducted on at least a quarterly basis. Such reviews are conducted by the Firm's Principal. All investment advisory clients are encouraged to discuss their needs, goals and objectives with FCA and to keep the Firm informed of any changes thereto. The Firm contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and quarterly to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

Account Statements and Reports

Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from FCA and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with any documents or reports they receive from FCA or an outside service provider.

Item 14. Client Referrals and Other Compensation

Client Referrals

Currently, FCA does not have any solicitation arrangements in place. In the event a client is introduced to FCA by either an unaffiliated or an affiliated solicitor, the Firm may pay that solicitor a referral fee in accordance with applicable state securities laws. Unless otherwise disclosed, any such referral fee is paid solely from FCA's investment management fee and does not result in any additional charge to the client. If the client is introduced to the Firm by an unaffiliated solicitor, the solicitor is required to provide the client with FCA's written brochure(s) and a copy of a solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement. Any affiliated solicitor of FCA is required to disclose the nature of his or her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of the Firm's written brochure(s) at the time of the solicitation.

Other Compensation

Mr. Hersch serves as a Board member on certain companies' boards. Please refer to Items 4, 5 & 10 for further details.

Item 15. Custody

FCA does not have physical custody of any clients' assets. The Firm is deemed to have "constructive" custody because the FCA advisory agreement and/or the separate agreement with a client's qualified custodian authorizes FCA to debit client accounts for payment of the Firm's fees and to directly remit those funds to the Firm in accordance with Rule 206(4)-2 of the Investment Advisers Act of 1940 (the "Custody Rule"). The qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, sends statements to clients not less than quarterly detailing all account transactions, including any fee amounts paid to FCA. In addition, as discussed in Item 13, FCA may also send periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the Financial Institutions and compare them to those received from FCA.

The SEC has and continues to provide guidance for compliance with the Custody Rule. FCA takes reasonable steps and makes good faith efforts to comply with such guidance.

Item 16. Investment Discretion

FCA is given the authority to exercise discretion on behalf of clients. FCA is considered to exercise investment discretion over a client's account if it can effect and/or direct transactions in client accounts without first seeking their consent. FCA is given this authority through a power-of-attorney included in the advisory agreement between FCA and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). FCA takes discretion over the following activities:

- The securities to be purchased or sold;

- The amount of securities to be purchased or sold;
- When transactions are made; and
- The broker-dealer that executes trades (in the case of a prime brokerage relationship).

Item 17. Voting Client Securities

It is FCA's policy to not vote proxies on behalf of its clients. Therefore, FCA will have no obligation or authority to take any action or render any advice with respect to the voting of proxies solicited by or with respect to issuers of securities held in a client's account. FCA shall not be deemed to have proxy voting authority solely as a result of providing advice or information about a particular proxy vote to a client.

Clients will receive proxies directly from their custodian. In the event that proxies for clients are inadvertently sent to FCA, they will be forwarded to the client for voting.

FCA typically does not advise or act for clients with respect to any legal matters, including bankruptcies and class actions, relating to the securities held in clients' accounts.

Item 18. Financial Information

In April 2020, considering the COVID-19 pandemic, FCA received a loan in the amount of \$28,600.00, which was administered by the Small Business Administration under the Paycheck Protection Program ("PPP Loan") and which was fully forgiven prior to the end of 2020. A portion of the amount received under the PPP Loan was used to pay Gregory Hersch's salary as the sole employee of the Firm, capped at applicable percentages as set forth by the SBA. This allowed FCA to continue to maintain normal operations through this unprecedented time. We continue to be able to meet the contractual obligations we have to our clients and do not see that changing in the foreseeable future. We will, however, update this Form ADV Part 2A and promptly notify clients if such a change does occur.

FCA is not required to disclose any financial information regarding the following:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- The Firm does not currently have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.