

HURLEY CAPITAL, LLC

SEC File # 801-69269

Form ADV Part 2A, Brochure

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Contact: Charles Goldblum, Chief Compliance Officer

299 Park Avenue – 21st Floor

New York, NY 10171

www.hurleycapital.com

This Brochure provides information about the qualifications and business practices of Hurley Capital, LLC. If you have any questions about the contents of this Brochure, please contact us at chuck@hurleycapital.com or 212-605-0665. 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 Hurley Capital, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

References herein to Hurley Capital, LLC as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.

Item 2 Material Changes

There have been no material changes to this Brochure since the March 31, 2025 annual update filing.

Hurley Capital, LLC’s Chief Compliance Officer, Charles Goldblum, remains available to address any questions that a client or prospective client has about this Brochure.

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Item 4 **Advisory Business**

- A. Hurley Capital, LLC (the “Registrant”) is a New York limited liability company formed in April 2004. Registrant was previously registered as an investment adviser in multiple states, and has been registered with the U.S. Securities and Exchange Commission since June 12, 2008. The Registrant is principally owned by Charles Goldblum and he is its managing member.
- B. As discussed below, the Registrant offers investment management services to its clients. References throughout this brochure to “client” or “clients” refer only to the Registrant’s clients. References throughout this brochure to “investor” refer to investors receiving the Registrant’s services through any separately managed account platform where the Registrant serves as a subadviser.

INVESTMENT MANAGEMENT SERVICES

Before engaging the Registrant to provide investment management services, clients are required to enter into an Investment Management Agreement with Registrant setting forth the terms and conditions of the engagement. Registrant’s investment management services for its clients include both asset management and general financial planning and consulting services, if specifically requested by a client. The Registrant offers investment management services tailored to the needs of each client, or in cases where it serves as a subadviser, tailored to each investment strategy.

Before providing investment management services, an investment adviser representative will ascertain each client’s investment objectives. The Registrant will use its discretion to allocate a client or investor’s assets consistent with their investment objectives.

The Registrant primarily allocates client and investor accounts using individual equity and debt securities, exchange-traded funds (“ETFs”), options and mutual funds. Once allocated, the Registrant provides ongoing monitoring and review of account performance and asset allocation as compared to each account’s investment objectives and may periodically rebalance or reallocate an account based upon these reviews.

MISCELLANEOUS

Limitations of Financial Planning and Non-Investment Consulting Services. If requested by a client, the Registrant provides general financial planning and consulting services regarding non-investment matters (*e.g.*, estate, tax and insurance planning). The Registrant does not assist clients with the implementation of any financial plan, with the exception of managing a client’s investments and potentially obtaining insurance products. Registrant does not serve as a law firm, accounting firm, or insurance agency, and no portion of its services should be construed as legal, accounting, or insurance implementation services. Accordingly, Registrant does not prepare estate planning documents or tax returns.

If requested by a client, Registrant may recommend the services of other professionals for implementation purposes (*e.g.*, attorneys, accountants or insurance agents), including insurance agents affiliated with the Registrant. The client is under no obligation to engage those professionals. The client retains absolute discretion over all implementation

decisions and is free to accept or reject any recommendation from Registrant and its representatives. If the client engages any recommended professional, and a dispute arises regarding that engagement, the client agrees to seek recourse exclusively from and against the other professional. In addition, the Registrant does not monitor a client's financial plan, and it is the client's responsibility to revisit the financial plan with the Registrant, if desired.

Client Obligations. The Registrant will not be required to verify any information received from the client or from the client's other professionals and is expressly authorized to rely on the information in its possession. Clients are responsible for promptly notifying the Registrant if there is ever any change in their financial situation or investment objectives so that the Registrant can review, and if necessary, revise its previous recommendations or services. Each investor's investment adviser is responsible for promptly notifying the Registrant if there is ever any change in the investor's financial situation or investment objectives so that the Registrant can review, and if necessary, revise its prior services.

Unaffiliated Private Investment Funds. Registrant may recommend that certain qualified clients consider an investment in unaffiliated private investment funds. Registrant's role relative to the private investment funds shall be limited to its initial and ongoing due diligence and investment monitoring services. Registrant's clients are under absolutely no obligation to consider or make an investment in a private investment fund(s).

Risk Factors. Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike liquid investments that a client may own, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment.

Fund Valuation. If Registrant bills an investment advisory fee based upon the value of private investment funds or otherwise references private investment funds owned by the client on any supplemental account reports prepared by Registrant, the value for all private investment funds owned by the client will reflect the most recent valuation provided by the fund sponsor. The current value of any private investment fund could be significantly more or less than the original purchase price or the price reflected in any supplemental account report.

Socially Responsible (ESG) Investing Limitations. Socially Responsible Investing involves the incorporation of Environmental, Social and Governance ("ESG") considerations into the investment due diligence process. Registrant does not maintain or advocate an ESG investment strategy but will seek to employ ESG if directed by a client to do so. If implemented, Registrant shall rely upon the assessments undertaken by the unaffiliated mutual fund, exchange traded fund or separate account portfolio manager to determine that the fund's or portfolio's underlying company securities meet a socially responsible mandate.

ESG investing incorporates a set of criteria/factors used in evaluating potential investments: Environmental (i.e., considers how a company safeguards the environment); Social (i.e., the manner in which a company manages relationships with its employees,

customers, and the communities in which it operates); and Governance (i.e., company management considerations). The number of companies that meet an acceptable ESG mandate can be limited when compared to those that do not and could underperform broad market indices.

Investors must accept these limitations, including potential for underperformance. Correspondingly, the number of ESG mutual funds and exchange-traded funds are limited when compared to those that do not maintain such a mandate. As with any type of investment (including any investment and/or investment strategies recommended and/or undertaken by Registrant), there can be no assurance that investment in ESG securities or funds will be profitable or prove successful.

Interval Funds/Risks and Limitations. Where appropriate, Registrant may utilize interval funds (and other types of securities that could pose additional risks, including lack of liquidity and restrictions on withdrawals). An interval fund is a non-traditional type of closed-end mutual fund that periodically offers to buy back a percentage of outstanding shares from shareholders. Investments in an interval fund involve additional risk, including lack of liquidity and restrictions on withdrawals. During any time periods outside of the specified repurchase offer window(s), investors will be unable to sell their shares of the interval fund.

There is no assurance that an investor will be able to tender shares when or in the amount desired. There can also be situations where an interval fund has a limited amount of capacity to repurchase shares and may not be able to fulfill all purchase orders. In addition, the eventual sale price for the interval fund could be less than the interval fund value on the date that the sale was requested.

While an interval fund periodically offers to repurchase a portion of its securities, there is no guarantee that investors may sell their shares at any given time or in the desired amount. As interval funds can expose investors to liquidity risk, investors should consider interval fund shares to be an illiquid investment. Typically, the interval funds are not listed on any securities exchange and are not publicly traded. Therefore, there is no secondary market for the fund's shares.

Because these types of investments involve certain additional risk, these funds will only be utilized when consistent with a client's investment objectives, individual situation, suitability, tolerance for risk and liquidity needs. Investment should be avoided where an investor has a short-term investing horizon and/or cannot bear the loss of some, or all, of the investment. There can be no assurance that an interval fund investment will prove profitable or successful. In light of these enhanced risks, a client may direct Registrant, in writing, not to purchase interval funds for the client's account.

Cash Positions. Registrant continues to treat cash as an asset class. As such, unless determined to the contrary by Registrant, all cash positions (money markets, etc.) shall continue to be included as part of assets under management for purposes of calculating Registrant's advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), Registrant may maintain cash positions for defensive purposes. In addition, while assets are maintained in cash, such amounts could miss market advances. Depending upon current yields, at any point in time, Registrant's advisory fee could exceed the interest paid by the client's money market fund.

Cross Transactions. In limited circumstances, when determined to be in the best interest of its clients, Registrant may engage in a cross-transaction pursuant to which Registrant may effect transactions between two of its managed client accounts (i.e., arranging for the clients' securities trades by "crossing" these trades when Registrant believes that such transactions are beneficial to its clients). For all such transactions, neither Registrant nor any affiliate will be acting as a broker. Registrant will not receive any commission or transaction-based compensation, although Registrant has an interest in the price at which the cross trades are conducted since Registrant's asset-based fees will be negatively impacted by lower bond values. This may present a conflict of interest. These transactions will be generally effected through the account custodian, or a prime broker. The client may revoke Registrant's cross-transaction authority at any time upon written notice to Registrant.

Cash Sweep Accounts. Certain account custodians can require that cash proceeds from account transactions or new deposits, be swept to and/or initially maintained in a specific custodian designated sweep account. The yield on the sweep account will generally be lower than those available for other money market accounts. When this occurs, to help mitigate the corresponding yield dispersion Registrant shall (usually within 30 days thereafter) generally (with exceptions) purchase a higher yielding money market fund (or other type security) available on the custodian's platform, unless Registrant reasonably anticipates that it will utilize the cash proceeds during the subsequent 30-day period to purchase additional investments for the client's account. Exceptions and/or modifications can and will occur with respect to all or a portion of the cash balances for various reasons, including, but not limited to the amount of dispersion between the sweep account and a money market fund, the size of the cash balance, an indication from the client of an imminent need for such cash, or the client has a demonstrated history of writing checks from the account.

The above does not apply to the cash component maintained within a Registrant actively managed investment strategy (the cash balances for which shall generally remain in the custodian designated cash sweep account), an indication from the client of a need for access to such cash, assets allocated to an unaffiliated investment manager and cash balances maintained for fee billing purposes.

The client shall remain exclusively responsible for yield dispersion/cash balance decisions and corresponding transactions for cash balances maintained in any Registrant unmanaged accounts.

Bitcoin, Cryptocurrency, and Digital Assets. For clients who want exposure to Bitcoin, cryptocurrencies, or digital assets, the Registrant, will advise the client to consider a potential investment in corresponding exchange traded securities, or an allocation to separate account managers and/or private funds that provide cryptocurrency exposure. Bitcoin and cryptocurrencies are digital assets that can be used for various purposes, including transactions, decentralized applications, and speculative investments. Most digital assets use blockchain technology, an advanced cryptographic digital ledger to secure transactions and validate asset ownership. Unlike conventional currencies issued and regulated by monetary authorities, cryptocurrencies generally operate without centralized control, and their value is determined by market supply and demand. While regulatory oversight of digital assets has evolved significantly since their inception, they

remain subject to variable regulatory treatment globally, which may impact their risk profile and liquidity.

Bitcoin, cryptocurrency, and digital asset investments are speculative and subject to extreme price volatility, liquidity constraints, and the potential for total loss of principal. The speculative nature of digital assets notwithstanding, the Registrant may (but is not obligated to) utilize crypto exposure in one or more of its asset allocation strategies for diversification purposes. Investment in Bitcoin, cryptocurrencies, or digital assets carry the potential for liquidity constraints, extreme price volatility, regulatory risk, technological risk, security and custody risk, and complete loss of principal.

Clients can notify the Registrant, in writing, to exclude cryptocurrency exposure from their accounts. Absent the Registrant's receipt of such written notice from the client, the Registrant may (but is not obligated to) utilize cryptocurrency as part of its asset allocation strategies for client accounts.

Portfolio Activity. Registrant has a fiduciary duty to provide services consistent with the client's best interest. Registrant will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, market conditions, fund manager tenure, style drift, account additions/withdrawals, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when Registrant determines that changes to a client's portfolio are unnecessary. Clients remain subject to the fees described in Item 5 below during periods of portfolio inactivity. Of course, as indicated below, there can be no assurance that investment decisions made by the Registrant will be profitable or equal any specific performance level(s).

Retirement Rollovers-Potential for Conflict of Interest: A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). The Registrant does not make recommendations regarding client rollovers. To the extent requested, Registrant may provide clients with certain educational information to assist the client with making a decision regarding a potential rollover. No client is under any obligation to roll over retirement plan assets to an account managed by the Registrant, whether it is from an employer's plan or an existing IRA.

Cybersecurity Risk. The information technology systems and networks that Registrant and its third-party service providers use to provide services to Registrant's clients employ various controls that are designed to prevent cybersecurity incidents stemming from intentional or unintentional actions that could cause significant interruptions in Registrant's operations and/or result in the unauthorized acquisition or use of clients' confidential or non-public personal information. Clients and Registrant are nonetheless subject to the risk of cybersecurity incidents that could ultimately cause them to incur financial losses and/or other adverse consequences. Although the Registrant has established processes to reduce the risk of cybersecurity incidents, there is no guarantee that these efforts will always be successful, especially considering that the Registrant does not control the cybersecurity measures and policies employed by third-party service providers, issuers of securities,

broker-dealers, qualified custodians, governmental and other regulatory authorities, exchanges and other financial market operators and providers.

Client Privacy and Confidentiality. The Registrant maintains policies and procedures designed to help protect the confidentiality and security of client nonpublic personal information (“NPPI”). NPPI includes, but is not limited to, social security numbers, credit or debit card numbers, state identification card numbers, driver’s license number and account numbers. The Registrant maintains administrative, technical, and physical safeguards designed to protect such information from unauthorized access, use, loss, or destruction. These safeguards include controls relating to data access, information security, and incident response, and are reviewed to address changes in risk and business. Client information may be disclosed in response to regulatory requests, legal obligations, or as otherwise permitted by law, and any such disclosure is made in accordance with applicable privacy and confidentiality requirements.

The Registrant may engage non-affiliated service providers in connection with providing advisory services, and such providers may have access to client NPPI, as necessary, to perform their functions. The Registrant confirms that service providers maintain safeguards designed to protect client information from unauthorized access or use and provide notice to the Registrant in the event of a cybersecurity incident involving client information maintained by the service provider. While the Registrant maintains policies and procedures designed to protect client information, such measures cannot eliminate all risk. The Registrant will notify clients in the event of a data breach involving their NPPI as may be required by applicable state and federal laws.

Use of Mutual Funds and ETFs. The Registrant recommends that clients allocate investment assets to publicly available mutual funds and ETFs that the client could purchase without engaging Registrant as an investment adviser. However, the client or prospective client would not receive the Registrant’s initial and ongoing investment management services if it were to purchase those investments on their own.

eMoney Advisor Platform. Registrant may provide its clients with access to an online platform hosted by “eMoney Advisor” (“eMoney”). The eMoney platform allows a client to view their complete asset allocation, including those assets that Registrant does not manage (the “Excluded Assets”). Registrant does not provide investment management, monitoring, or implementation services for the Excluded Assets. Unless otherwise specifically agreed to, in writing, Registrant’s service relative to the Excluded Assets is limited to reporting only. Therefore, Registrant shall not be responsible for the investment performance of the Excluded Assets.

The client may choose to engage Registrant to manage some or all of the Excluded Assets pursuant to the terms and conditions of an Investment Advisory Agreement between Registrant and the client. The eMoney platform also provides access to other types of information and applications including financial planning concepts and functionality, which should not, in any manner whatsoever, be construed as services, advice, or recommendations provided by Registrant. Finally, Registrant shall not be held responsible for any adverse results a client may experience if the client engages in financial planning or other functions available on the eMoney platform without Registrant’s assistance or oversight.

Subadvisory Relationship. The Registrant may serve as a subadviser to unaffiliated investment advisers according to the terms and conditions of agreements executed through a separately managed account platform. With respect to its subadvisory services, the unaffiliated investment advisers that engage the Registrant maintain both the initial and ongoing relationship with the client, which includes the initial and ongoing determination of client suitability for the Registrant's investment strategies. If the other adviser or the platform directs the Registrant to use a specific broker-dealer, the Registrant will be unable to negotiate commissions or transaction costs, and as a result will not be responsible for seeking best execution. As a result, investors accessing Registrant's services through the separately managed account platform may pay higher commissions or transaction costs on transactions for their account than would otherwise be the case through alternative clearing arrangements recommended by Registrant. Higher transaction costs adversely impact account performance.

- C. The Registrant provides investment management services specific to the needs of each client. Before providing investment management services, an investment adviser representative will ascertain each client's investment objectives. The Registrant will use its discretion to allocate a client or investor's assets consistent with their investment objectives. A client, investor or investor's other investment adviser may, at any time, impose reasonable restrictions, in writing, on the Registrant's services. The Registrant will determine, in its sole discretion, whether any requested restriction is reasonable.
- D. The Registrant does not participate in a wrap fee program.
- E. As of December 31, 2025, the Registrant had \$311,520,198 in assets under management on a discretionary basis and \$14,568,233 in assets under management on a non-discretionary basis.

Item 5 Fees and Compensation

A.

INVESTMENT MANAGEMENT SERVICES

The Registrant's non-negotiable annual investment management fee is generally equal to 1.5% of the market value of assets under management.

The Registrant generally imposes a minimum portfolio size of \$250,000 for investment management services. Registrant, in its sole discretion, may charge a lesser investment management fee and/or reduce or waive its minimum portfolio size based upon certain criteria (e.g., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.). Registrant only accepts clients with less than the minimum portfolio size if, in the sole opinion of Registrant, the smaller portfolio size will not cause a substantial increase of investment risk beyond the client's identified risk tolerance. Upon request, or in the Registrant's sole discretion, it may aggregate the portfolios of family members to meet the minimum portfolio size.

Clients may make additions to and withdrawals from their account at any time, subject to Registrant's right to terminate an account. To the extent there are inflows in excess of \$50,000 during a billing quarter, the Registrant will calculate a pro-rated credit to be

applied to the Client's quarterly fee.

Clients may withdraw account assets on notice to Registrant, subject to the usual and customary securities settlement procedures. However, Registrant designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives.

The Registrant believes that its annual investment management fee is reasonable in relation to: (1) the advisory services provided; and (2) the fees charged by other investment advisers offering similar services. However, Registrant's annual investment advisory fee may be higher than that charged by other investment advisers offering similar services.

LIMITED FINANCIAL PLANNING AND NON-INVESTMENT CONSULTING SERVICES

Registrant may provide financial consultation and consulting services to its investment management clients on investment and non-investment related matters. Registrant's fees are negotiable, but generally range from \$2,500.00 to \$75,000.00 per year on a fixed fee basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s). In some instances, the Registrant may allow Investment Management Services clients to apply some of the Consulting Services fees towards their Investment Management Services fees as an offset.

- B. The Registrant will deduct fees or bill clients quarterly in arrears, based upon the market value of the assets on the last day of the previous quarter, including any accrued interest. We prorate our fees with respect to all additions to a client's account. However, because we calculate our fees in arrears and it is to the client's benefit, we make no adjustments for withdrawals.

Clients may elect to have the Registrant's fees deducted from their custodial account. Both Registrant's Investment Management Agreement and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of the Registrant's fees and to directly remit that fee to the Registrant in compliance with regulatory procedures. In the limited event that the Registrant bills the client directly, payment is due upon receipt of the Registrant's invoice.

- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, the Registrant will generally recommend that Charles Schwab and Co., Inc., an SEC registered, FINRA and SIPC member broker-dealer ("CS&Co.") and/or Fidelity Investments ("Fidelity"), a member NYSE and SIPC, serve as the broker-dealer and custodian for client's accounts. Broker-dealers such as CS&Co. and/or Fidelity charge commissions and transaction fees for effecting certain securities. Clients will also incur fees and expenses of owning investments. Specifically, shareholders of mutual funds and ETFs indirectly pay fees and expenses associated with their ownership of these securities, which include management fees.

Transactions may be effected through broker-dealers other than the account custodian, and clients generally will incur both the fee (commission, mark-up/mark-down) charged by the executing broker-dealer and a separate "tradeaway" or prime broker fee charged by the account custodian (typically, CS&Co. and/or Fidelity).

- D. The Investment Management Agreement may be terminated by either party by written notice to the other. Upon termination of the Investment Management Agreement, the Registrant will debit the account or bill the client for the prorated portion of the unpaid advisory fee based upon the number of days that services were provided during the billing quarter.
- E. Neither Registrant, nor its representatives, accepts compensation from the sale of securities. Clients and prospective clients should review Item 10 below for information regarding its representatives' services as licensed insurance agents.

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

Neither the Registrant nor any supervised person of the Registrant accepts performance-based fees.

Item 7 Types of Clients

The Registrant's clients currently include individuals, high net worth individuals, trusts, estates and charitable organizations. Clients and prospective clients should review Item 5 for information about minimum account requirements.

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

- A. Registrant relies primarily on a macro-driven, fundamental based method of analysis, targeting undervalued sectors and out-of-favor companies with solid fundamentals and attractive valuations. Fundamental analysis involves the fundamental financial condition and competitive position of a company. Registrant will analyze the financial condition, capabilities of management, earnings, new products and services, as well as the company's markets and position amongst its competitors in order to determine the recommendations made to clients. Risks using fundamental analysis may include that while the overall health and position of a company may be good, market conditions may negatively impact the security.
- B. Registrant's investment process focuses first on assessing risk, followed by measurement of upside opportunity. Registrant believes that this value-oriented approach allows them to focus on capital preservation, while still maintaining significant growth potential. In this respect the Registrant may utilize the following investment strategies when implementing investment advice given to clients:
 - Long Term Purchases – securities held at least a year; and
 - Short Term Purchases – securities sold within a year.

Investment Risk. Investing in securities involves risk of loss that clients should be prepared to bear, including the loss of principal. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the Registrant) will be profitable or equal any specific performance level(s). While market indices may increase and client account values

could benefit as a result, it is also possible that market indices may decrease and account values could suffer a loss. It is therefore important that clients understand investment risks, diversification strategies, and ask Registrant any questions they may have before making any investment decisions.

The Registrant's methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis the Registrant must have access to current market information. The Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to the Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of the Registrant's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable or profitable investment opportunities.

The Registrant's primary investment strategies are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy.

The profitability of a significant portion of Registrant's recommendations may depend, to a great extent, upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that Registrant will be able to predict those price movements accurately.

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 ETFs and mutual funds 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. As such, a mutual fund or ETF client or investor may incur substantial tax liabilities even when the fund underperforms.

Shares of mutual funds are 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 in the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to NAV.

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 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. While clients and

investors may be able to sell their ETF shares on an exchange, ETFs generally only redeem shares directly from shareholders when aggregated as creation units (usually 50,000 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.

In addition to the fundamental investment strategies discussed above, the Registrant may also implement and/or recommend the use of options strategies, which involves a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security depending upon the nature of the option contract. Generally, the purchase or the recommendation to purchase an option contract by the Registrant shall be with the intent of offsetting/"hedging" a potential market risk in a client's portfolio. Although the intent of the options-related transactions that may be implemented by the Registrant is to hedge against principal risk, certain of the options-related strategies (i.e., straddles, short positions, etc.), may, in and of themselves, produce principal volatility and/or risk. Therefore, a client must be willing to accept these enhanced volatility and principal risks associated with such strategies. In light of these enhanced risks, client may direct the Registrant, in writing, not to employ any or all such strategies for their accounts.

Borrowing Against Assets/Risks. A client who has a need to borrow money could determine to do so by using:

- **Margin**-The account custodian or broker-dealer lends money to the client. The custodian charges the client interest for the right to borrow money, and uses the assets in the client's brokerage account as collateral; and,
- **Pledged Assets Loan**- In consideration for a lender (i.e., a bank, etc.) to make a loan to the client, the client pledges investment assets held at the account custodian as collateral.

These above-described collateralized loans are generally utilized because they typically provide more favorable interest rates than standard commercial loans. These types of collateralized loans can assist with a pending home purchase, permit the retirement of more expensive debt, or enable borrowing in lieu of liquidating existing account positions and incurring capital gains taxes. However, such loans are not without potential material risk to the client's investment assets. The lender (i.e., custodian, bank, etc.) will have recourse against the client's investment assets in the event of loan default or if the assets fall below a certain level. For this reason, Registrant does not recommend such borrowing unless it is for specific short-term purposes (i.e., a bridge loan to purchase a new residence). Registrant does not recommend such borrowing for investment purposes (i.e., to invest borrowed funds in the market). Regardless, if the client determines to utilize margin or a pledged assets loan, the following economic benefits would inure to Registrant:

- by taking the loan rather than liquidating assets in the client's account, Registrant continues to earn a fee on such Account assets; and,
- if the client invests any portion of the loan proceeds in an account to be managed by Registrant, Registrant will receive an advisory fee on the invested amount; and,

- if Registrant's advisory fee is based upon the higher margined account value, Registrant will earn a correspondingly higher advisory fee. This could provide Registrant with a disincentive to encourage the client to discontinue the use of margin.

The Client must accept the above risks and potential corresponding consequences associated with the use of margin or a pledged assets loan.

Covered Call Writing.

Covered call writing is the sale of in-, at-, or out-of-the-money call options against a long security position held in a client portfolio. This type of transaction is intended to generate income. It also serves to create partial downside protection in the event the security position declines in value. Income is received from the proceeds of the option sale. Such income may be reduced or lost to the extent it is determined to buy back the option position before its expiration. There can be no assurance that the security will not be called away by the option buyer, which will result in the client (option writer) to lose ownership in the security and incur potential unintended tax consequences. Covered call strategies are generally better suited for positions with lower price volatility.

Registrant's investment programs may involve above-average portfolio turnover which could negatively impact upon the net after-tax gain experienced by an individual client in a taxable account.

- C. Currently, the Registrant allocates client investment assets among individual equities, debt securities, ETFs, mutual funds and options on a discretionary basis in accordance with the client's designated investment objectives. When the Registrant believes it to be appropriate, the Registrant may use low-cost ETFs, consistent with the client's investment risk tolerance and capacity, to implement a passive investment strategy.

Item 9 Disciplinary Information

The Registrant has not been the subject of a disciplinary action.

Item 10 Other Financial Industry Activities and Affiliations

- A. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. Certain of Registrant's representatives are licensed insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to the client. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to a client for the purpose of generating commissions rather than solely based on the client's needs. However, a client is under no

obligation, contractually or otherwise, to purchase insurance products through any person affiliated with the Registrant.

- D. The Registrant does not recommend or select other investment advisors for its clients for which the Registrant receives compensation.

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

- A. The Registrant maintains an investment policy relative to personal securities transactions. This investment policy is part of Registrant's overall Code of Ethics, which serves to establish a standard of business conduct for all of Registrant's Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request. In accordance with Section 204A of the Investment Advisers Act of 1940, the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.
- B. Neither the Registrant nor any related person of Registrant recommends, buys, or sells for client accounts, securities in which the Registrant or any related person of Registrant has a material financial interest.
- C. The Registrant and/or representatives of the Registrant may buy or sell securities that are also recommended to clients. This practice may create a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if the Registrant did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed before those of the Registrant's clients) and other potentially abusive practices.

The Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Registrant's "Access Persons". The Registrant's securities transaction policy requires that an Access Person of the Registrant must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide or make available to the Chief Compliance Officer or his/her designee a list of reportable transactions each calendar quarter as well as a written annual report of the Access Person's securities holdings; provided, however that at any time that the Registrant has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. The Registrant and/or representatives of the Registrant may buy or sell securities, at or after the same time as those securities are recommended to clients. This practice creates a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. As indicated above in Item 11C, the Registrant has a personal

securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Registrant's Access Persons.

Item 12 Brokerage Practices

- A. In the event that the client requests that the Registrant recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct the Registrant to use a specific broker-dealer/custodian), Registrant generally recommends that investment management accounts be maintained at CS&Co. and/or Fidelity. Before engaging Registrant to provide investment management services, the client will be required to enter into a formal Investment Management Agreement with Registrant setting forth the terms and conditions under which Registrant shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that the Registrant considers in recommending CS&Co. and/or Fidelity (or another broker-dealer/custodian) to clients include: historical relationship with the Registrant, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Registrant's clients shall comply with the Registrant's duty to seek best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Registrant determines, in good faith, that the commission/transaction fee is reasonable. 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 broker-dealer services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Registrant's investment management fee. The Registrant's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. Non-Soft Dollar Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Registrant receives from CS&Co. and/or Fidelity (and potentially other broker-dealers, custodians, investment platforms, unaffiliated investment managers, vendors, or fund sponsors) free or discounted support services and products. Certain of these products and services assist the Registrant to better monitor and service client accounts maintained at these institutions. The support services that Registrant obtains can include investment-related research; pricing information and market data; compliance or practice management-related publications; discounted or free attendance at conferences, educational or social events; or other products used by Registrant to further its investment management business operations.

Certain of the support services or products received may assist the Registrant in managing and administering client accounts. Others do not directly provide this assistance, but rather assist the Registrant to manage and further develop its business enterprise.

There is no corresponding commitment made by the Registrant to any broker-dealer or custodian or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products because of the above arrangements.

2. The Registrant does not receive referrals from broker-dealers.
3. Directed Brokerage
The Registrant does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Registrant will not seek better execution services or prices from other broker-dealers or be able to “batch” the client’s transactions for execution through other broker-dealers with orders for other accounts managed by Registrant. As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

In the event that the client directs or requires Registrant to effect securities transactions for the client’s accounts through a specific broker-dealer, this can cause an account to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Registrant. Higher transaction costs adversely impact account performance. Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

- B. To the extent that the Registrant provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless the Registrant decides to purchase or sell the same securities for several clients at approximately the same time. The Registrant may (but is not obligated to) combine or “bunch” such orders to seek best execution, to negotiate more favorable commission rates or to allocate equitably among the Registrant’s clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. The Registrant shall not receive any additional compensation or remuneration as a result of such aggregation.

Item 13 Review of Accounts

- A. For those clients to whom Registrant provides investment supervisory services, account reviews are conducted on an ongoing basis by the Registrant’s principals or investment adviser representatives. All investment supervisory clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with the Registrant on an annual basis.

- B. The Registrant may conduct account reviews on an other-than-periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written and/or electronic transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

Item 14 Client Referrals and Other Compensation

- A. See Item 12.A.1 above for a discussion about the benefits that the Registrant receives from CS&Co. and/or Fidelity and potentially other broker-dealers and custodians.
- B. If a client is introduced to the Registrant by a Promoter, Registrant may pay that Promoter a referral fee in accordance with the requirements of Rule 206(4)-1 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any referral fee is paid solely from the Registrant's investment advisory fee, and will not result in any additional charge to the client.

Item 15 Custody

The Registrant shall have written authorization granting it the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

To the extent that the Registrant provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by the Registrant with the account statements received from the account custodian. The account custodian does not verify the accuracy of the Registrant's advisory fee calculation.

Item 16 Investment Discretion

The client can determine to engage the Registrant to provide investment management services on a discretionary or non-discretionary basis. Before the Registrant assumes discretionary authority over a client's account, the client shall be required to execute an Investment Management Agreement granting the Registrant full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client or investor's account.

A client, investor or investor's other investment adviser may, at any time, impose reasonable restrictions, in writing, on the Registrant's services. The Registrant will determine, in its sole discretion, whether any requested restriction is reasonable.

Item 17 **Voting Client Securities**

Registrant may vote client securities (proxies) on behalf of its clients. When Registrant accepts such responsibility, it will only cast proxy votes in a manner consistent with the best interest of its clients. Absent special circumstances, which are described in Registrant's Proxy Voting Policies and Procedures, all proxies will be voted consistent with guidelines established and described in Registrant's Proxy Voting Policies and Procedures, as they may be amended from time-to-time. Clients may contact Registrant to request information about how Registrant voted proxies for that client's securities or to get a copy of Registrant's Proxy Voting Policies and Procedures. A brief summary of Registrant's Proxy Voting Policies and Procedures is as follows:

- Registrant has formed a Proxy Voting Committee that will be responsible for monitoring corporate actions, making voting decisions in the best interest of clients, and ensuring that proxies are submitted in a timely manner.
- The Proxy Voting Committee will generally vote proxies according to Registrant's then current Proxy Voting Guidelines. The Proxy Voting Guidelines include many specific examples of voting decisions for the types of proposals that are most frequently presented, including: composition of the board of directors; approval of independent auditors; management and director compensation; anti-takeover mechanisms and related issues; changes to capital structure; corporate and social policy issues; and issues involving mutual funds.
- Although the Proxy Voting Guidelines are followed as a general policy, certain issues are considered on a case-by-case basis based on the relevant facts and circumstances. Since corporate governance issues are diverse and continually evolving, Registrant devotes an appropriate amount of time and resources to monitor these changes.
- Clients cannot direct Registrant's vote on a particular solicitation but can revoke Registrant's authority to vote proxies.

In situations where there may be a conflict of interest in the voting of proxies due to business or personal relationships that Registrant maintains with persons having an interest in the outcome of certain votes, Registrant takes appropriate steps to ensure that its proxy voting decisions are made in the best interest of its clients and are not the product of such conflict.

The Registrant does not offer any consulting assistance regarding proxy issues to client.

The Registrant will not be responsible and each client or investor has the right and responsibility to take any actions with respect to any legal proceedings, including without limitation, bankruptcies and shareholder litigation, and the right to initiate or pursue any legal proceedings, including without limitation, shareholder litigation, including with respect to transactions, securities or other investments held in the client or investor's account or the issuers thereof. Registrant is not obligated to render any advice or take any action on a client or investor's behalf with respect to securities or other property held in their account, or the issuers thereof, which become the subject of any legal proceedings, including without limitation, bankruptcies and shareholder litigation, to which any securities or other investments held or previously held in the account, or the issuers thereof,

become subject. In addition, Registrant is not obligated to initiate or pursue any legal proceedings, including without limitation, shareholder litigation, on behalf of a client or investor's account, including with respect to transactions, securities or other investments held or previously held, in the client's account or the issuers thereof.

Class Actions: The client shall maintain exclusive responsibility for all legal proceedings or other type events pertaining to the assets managed by Registrant, including, but not limited to, class action lawsuits. Registrant has identified an unaffiliated service provider (Broadridge) to assist the client, for a fee (generally 20% of the recovery), with class-action matters. Registrant shall not receive any compensation from the service provider. The client is under no obligation to engage the service provider. Registrant does not participate in class action proceedings on behalf of its clients. Therefore, if the client chooses not to engage Broadridge, the client will be exclusively responsible to monitor and pursue all class action claims.

Item 18 Financial Information

- A. The Registrant does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. The Registrant is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. The Registrant has not been the subject of a bankruptcy petition.