



# High Falls

ADVISORS

**ADV PART 2  
FIRM BROCHURE**

**May 19, 2016**

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## **FIRM BROCHURE**

### **HIGH FALLS ADVISORS, INC.**

**36 West Main Street, Suite 322**

**Rochester, NY 14614**

**585-935-5300**

**[www.highfallsadvisors.com](http://www.highfallsadvisors.com)**

May 19, 2016

**This Brochure provides information about the qualifications and business practices of High Falls Advisors, Inc. If you have any questions about the contents of this Brochure, please contact Jennifer E. Vogler, Chief Compliance Officer at 585-935-5308. 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.**

High Falls Advisors, Inc. is a registered investment adviser. Being a “registered investment adviser” or describing ourselves as being “registered” does not imply a certain level of training or skill.

**Additional information about High Falls Advisors, Inc. is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).** You can search this site by our firm name or by a unique identifying number known as a CRD number. The CRD number for High Falls Advisors, Inc. is 108678. The SEC’s web site also provides information about any persons affiliated with High Falls Advisors, Inc., who are registered, or are required to be registered, as investment adviser representatives of High Falls Advisors, Inc.

To obtain our firm brochure, our Code of Ethics, or our Privacy Policy, please visit our website at [www.highfallsadvisors.com](http://www.highfallsadvisors.com), e-mail us at [info@highfallsadvisors.com](mailto:info@highfallsadvisors.com), telephone us at 585-935-5300, or mail your request to High Falls Advisors, Inc., 36 West Main Street, Suite 322, Rochester, NY 14614.

This brochure was last updated on May 19, 2016.

## **Item 2 – Summary of Material Changes**

- (1) **ADV Part 2B.** The investment advisor profiles have been updated. (ADV Part 2B of Firm Brochure)

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#### **Item 4 – Advisory Business**

High Falls Advisors, Inc., (“HFA” throughout this brochure) is an SEC registered investment advisory firm located in Rochester, New York. The owners of the firm are James H. McBride and James T. Englert. High Falls Advisors, LLC was formed in 2008 as a successor to James H. McBride, R.I.A. (Formed in 1986). On December 31, 2012, Mr. McBride and Mr. Englert changed the corporate structure from an LLC to a corporation. James McBride is the President and Chief Operating Officer of the firm. James Englert is the Executive Vice President. HFA offers the following services:

- **Portfolio Management**—HFA provides ongoing management of client investment portfolios. The portfolios are managed on a discretionary basis based on the investment objectives and risk profile/tolerance of the client. The portfolios may include investments such as individual securities, mutual funds, exchange traded funds (ETFs), index funds, municipal securities and government securities.
  - **401-K Management Services (“SIP”)**—HFA provides an ongoing management service for participants in the Eastman Kodak Savings and Investment Plan (“SIP”). 401-K accounts are managed in a discretionary manner using an asset allocation of five index funds, a target date retirement fund, and a money market fund. The allocation of funds is based on the investment objectives and risk profile/tolerance of the client. HFA uses a proprietary tactical approach designed to protect investors from downside market risks. The portfolio manager monitors the daily prices of the index funds and compares these prices to the longer term market trends. This analysis determines when to move in and out of the respective index funds. Similar services are also provided for Carestream and Xerox 401-K participants.
  - **Market Trends Account (“MTA”)**—The portfolios in the MTA strategy are comprised of exchange traded funds (“ETFs”) and are monitored on an ongoing basis. The allocation of funds is based on the investment objectives and risk profile/tolerance of the client. The strategy monitors the daily prices of the ETFs and compares these prices to the longer term market trends. This analysis determines when to move in and out of the respective ETFs and a money market account.
  - **Sector Rotation MTA**— The portfolios in this strategy are comprised of exchange traded funds (“ETF”). Technical analysis is applied by monitoring the average daily price of a broad market index so that trends may be identified and analyzed. The target composition of the portfolio is comprised of 98% equities and may experience a higher level of volatility than the MTA strategy. The

strategy is best used in a tax-deferred account and in combination with other strategies.

- **Enhanced Allocation Strategy**—The portfolios in this strategy are comprised of actively managed mutual funds from multiple fund families. Portfolios are created using asset allocation models to achieve broad diversification of asset classes. Funds are selected using independent third party analytics such as Fidelity, BlackRock, First Trust, Morningstar and others. This portfolio is a “buy and hold” strategy and designed for long-term growth. The allocation of funds is based on the investment objectives and risk profile/tolerance of the client.
- **Select Sector Portfolio**—The portfolios in this strategy are comprised of stocks and Sector Exchange Traded Funds. Fund and stock selections are from different sectors to capitalize on current and extended market conditions. The portfolio selection is based on the investment objectives and risk profile/tolerance of the client. This strategy has infrequent changes and is sensitive to market volatility.
- **Personal Securities Portfolios**—The portfolios in this service are custom-designed with emphasis on individual securities. The portfolio selection is based on the investment objectives and risk profile/tolerance of the client and is designed for long-term investing.
- **Retirement benefit counseling**—HFA provides consultation on specific retirement decisions and review of retirement packages.
- **Financial planning services**—HFA provides financial plan analysis, either in a comprehensive package or in individual units, for clients wishing to obtain a clear picture of their entire financial positions. Such analysis may include current investments, debts, future retirement income, insurance coverage, estate planning, tax planning, and cash flow management. HFA will tailor the plan to the client’s individual needs.
- **Tax Preparation**—HFA provides individual tax preparation as an optional service to its clients. HFA does not provide ongoing or year-round accounting services.

**Assets under management**--As of December 31, 2015, HFA assets under management were \$ 542 million which is broken down as follows:

<b>Discretionary Accounts:</b>	\$ 542 million
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## **Item 5 – Fees and Compensation**

- **Generally**

The specific manner in which fees are charged by HFA is established in the client's written advisory agreement with HFA. HFA will generally bill its fees on a quarterly basis. Clients are billed in arrears. Clients may elect to be billed directly for fees or to authorize HFA to directly debit fees from their accounts. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account any earned, unpaid fees will be due and payable.

Account fees for accounts terminated before the end of a quarter are calculated as follows: 1.) Determine the average daily balance from the beginning of the quarter to the date of termination. 2.) Take that value and multiply by the annual fee set in the management contract. 3.) Divide that amount by 4 to determine the quarterly fee. 4.) Divide the quarterly fee by the number of days in the quarter to determine the daily rate. 5.) Multiply the daily rate by the number of days actually managed in the quarter to determine the pro-rated fee.

Account fees for accounts initiated after the start of the quarter are calculated as follows: 1.) Determine the average daily balance from the date account is initiated to the end of the quarter. 2.) Take that value and multiply by the annual fee set in the management contract. 3.) Divide that amount by 4 to determine the quarterly fee. 4.) Divide the quarterly fee by the number of days in the quarter to determine the daily rate. 5.) Multiply the daily rate by the number of days actually managed in the quarter to determine the pro-rated fee.

Some investment advisors representatives of High Falls Advisors are dually registered representatives of Leigh Baldwin & Co., LLC. Leigh Baldwin & Co., LLC (LB) is a Broker-Dealer and Member FINRA/SIPC. LB and HFA are independently owned and operated. As a registered representative, an HFA Investment Advisor may also receive a brokerage commission.

HFA's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which may be incurred by the client. Clients may incur certain charges imposed by custodians and/or brokers, as specified in the custodian/broker agreement. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to HFA's fee.

- **Portfolio Management**



Fees are charged quarterly in arrears and are computed on the average daily balance for the quarter. The annual fee ranges from 0.5% to 2.5% and may be negotiable under certain circumstances. The fee is specified in the client's advisory agreement. For purposes of the above, portfolio management includes all the strategies listed in Item 4 with the exception of the 401-K management service.

Fees are prorated for clients not in the service the entire quarter. Annual fees are divided by four and charged quarterly.

In certain circumstances, clients are billed on an agreed retainer/flat fee for portfolio management. Such arrangement would be set forth in the Advisory Agreement.

In certain circumstances, multiple accounts in one household can be combined for breakpoint discounts.

- **401-K Management Services**

Fees are charged quarterly in arrears and are computed on the average 401-K account value (averaging the beginning quarter value and the ending quarter value) during the quarter. HFA's fee schedule for this service is:

<u>Account Value</u>	<u>Annual Fee Rate</u>
First \$ 200,000	0.5%
\$200,001- \$500,000	0.3% of assets over \$200,000
\$ 500,001-\$1,000,000	0.2% of assets over \$500,000
Over \$1,000,000	0.1% of assets over \$1,000,000

For clients in the service for less than the entire quarter, the fee is prorated. For multiple accounts in one household, the accounts are combined for breakpoint discounts.

Clients are invoiced for payment.

- **Fees for Retirement Benefit Counseling Services**

Fees are charged up to \$ 125.00 per hour. Clients are invoiced and payment is expected upon completion of work.

- **Fees for Financial Planning Services**

A flat fee or an hourly fee is quoted based on complexity of the case. Hourly services are up to \$ 200.00 per hour. Clients are invoiced and payment is expected upon completion of work.

- **Fees for Tax Preparation**

Fees are charged at a starting rate of \$ 150.00. Preparation fees are based on the time and complexity of the return. Clients are invoiced and payment is expected upon completion of the tax return.

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

HFA does not charge any performance-based fees, or fees based on a share of capital gains or capital appreciation of the assets of a client.

### **Item 7 – Types of Clients**

HFA provides management services to individuals, charitable foundations, and trusts and estates. The majority of HFA clients are individual investors.

HFA sets a minimum account size of \$ 100,000.00 for most Portfolio Management Services, although there may be exceptions which are evaluated on a case by case basis. For our 401-K management service (SIP) and MTA service there is no minimum.

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

- **Generally**

HFA utilizes different types of investment analysis and strategy depending on the client's specific requirements. Portfolio Management Services, Enhanced Allocation Strategy, Select Sector, MTA, Sector Rotation MTA, and the 401-K Management Service (SIP) use the **Finametrica**<sup>®</sup> risk profiling system or the "Client Investment Objective" Questionnaire to determine the appropriate investment objective. The client and advisor select the appropriate allocation based on the client's tolerance for risk, timeframe and personal objectives.

Clients are provided with a written Investment Policy Statement outlining their overall goals and their asset mix. These statements are updated as the investment environment or client needs change.

- **Select Sector Portfolios/Personal Securities Portfolios**

For these portfolios, the portfolio manager uses Value Line stock evaluation services and the Morningstar stock and mutual fund rating service to select the assets in the portfolio. In addition, the portfolio manager will also use fundamental research obtained from various financial sources such as newspapers and magazines, corporate publications (e.g. annual and quarterly reports and news releases) and electronic investment news services

to supplement the asset selection process. A traditional “bottoms up” approach is used to select those assets currently deemed appropriate for each of the asset allocation categories.

- **401-K Services (SIP) and MTA**

These services utilize the same type of fundamental research discussed in the Select Sector Portfolio and a market trend analysis based on 65-day and 170-day moving averages to establish historical averages for each asset category. Target entry and exit points are set and monitored daily. A proprietary set of rules determines whether 100%, 50% or 0% of the assets under management is invested in the selected target portfolio. When not invested, the client’s assets are held in the SIP money market fund or the MTA money market fund. Strategies for both 401-K and MTA management programs are cautious. It is explained to clients that the use of historical averages will result in the clients participating to a modest degree in market downturns and not participating in the early part of market recoveries. These programs are designed with the intention to limit significant market loss in declining markets and to participate in appreciating markets only after the upward trend is confirmed via the historical averages.

- **Enhanced Allocation Strategy**

This strategy utilizes no-load mutual funds from multiple fund families. The funds are selected using independent third party analytics such as Fidelity, BlackRock, First Trust, Morningstar and others and are replaced when they no longer meet the objectives of the portfolio. This strategy is primarily a “buy and hold” strategy so accounts will fluctuate with market volatility.

- **Sector Rotation MTA**

This strategy uses a pre-determined grouping of exchange traded funds which represent various asset classes that compose the broad market. The portfolio manager tracks the performance and the relative strength of the selected funds against the broad market index. Positions are either added/replaced as they either increase or decrease in relative strength and overall performance. The target of this strategy is 98% equities and is therefore subject to market volatility. It is best used in tax-deferred accounts due to the trading discipline and should be used in conjunction with other strategies.

- **Risks**

All of HFA clients are told that the risks of investing in securities involves the risk of loss of asset value and that they need to be prepared to accept potential loss in exchange for a better return.

HFA's Investment Committee determines the risk-reward scenarios for each asset type used in the portfolios.

Mutual funds carry some risk including market risk (including the possible loss of principal), interest rate risk, credit risk, style risk and securities selection risk. The degree of risk varies based the type of mutual fund. Mutual funds may also have direct costs (e.g. transaction fees, sales charges, and other operating costs) associated with their sales and operation that will have an impact on investment returns.

Exchange traded funds (ETFs) are subject to market risk, including the possible loss of principal. The value of the ETFs will fluctuate with the value of the underlying securities. ETFs may trade for less than their net asset value. ETFs may have underlying strategy risks similar to investing in commodities, bonds, real estate, international markets or currencies, emerging growth companies, or specific sectors. The risk of loss in trading commodities and futures can be substantial. Bonds carry interest rate risk. Real estate investing carries the risk of declining property values due to, among others, environmental, economic and interest rate factors. International investing carries risk of currency fluctuations and political and economic events. Sector based investments typically exhibit greater volatility.

Individual securities involve the risk of loss from poor performance by individual companies and can be more volatile than the use of funds, but also include the potential for better overall returns. HFA maintains a Buy-Sell-Hold list that is updated weekly, based on research sources such as Value Line and Morningstar and analysts' consensus data.

### **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of HFA or the integrity of HFA's management. HFA has no information applicable to this Item.

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

Some Advisors with HFA are also registered representatives of Leigh Baldwin & Co., LLC, a Broker Dealer registered with Financial Industry Regulatory Authority (FINRA). Some

Advisors are also insurance agents or brokers. In cases where the advisor is acting as a registered representative (broker), the registered representative and Leigh Baldwin & Co., LLC will receive customary compensation (commissions) on the sale of products. This would be compensation separate from management fees or charges.

Advisors with HFA are able to implement security transactions and/or purchase investment products or insurance for their advisory clients in their capacity as broker-dealer registered representatives and/or insurance brokers or agents. However, clients are not under any obligation to engage Leigh Baldwin & Co., LLC and/or the Advisor in implementing advisory recommendations. This is at the discretion of the client.

High Falls Advisors, Inc. and Leigh Baldwin & Co., LLC are independently owned and operated entities.

### **Item 11 – Code of Ethics**

HFA has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. A supervised person of the firm includes HFA employees, members, officers, directors and any other individual who is under the supervision and control of HFA.

The Code of Ethics includes provisions relating to the confidentiality of client information, prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at HFA must acknowledge the terms of the Code of Ethics annually, or as amended.

HFA and its employees and advisors are committed to:

- conducting every aspect of the business in a fair, lawful and ethical manner;
- creating and ensuring a culture of compliance through education, training, awareness and supervision and compliance with all laws and regulations governing the financial industry;
- acting solely in the best interest of our clients by ensuring that investment advice is reasonable, independent and suitable for an individual's objectives, needs and circumstances;
- protecting the privacy of all of our clients; and
- avoiding actual or apparent conflicts of interest.

HFA is subject to the following specific fiduciary obligations when dealing with clients:

- the duty to have a reasonable, independent basis for the investment advice provided;

- the duty to obtain best execution for a client's transactions where HFA is in a position to direct brokerage transactions for the client;
- the duty to ensure that investment advice is suitable to meeting the client's individual objectives, needs and circumstances; and
- A duty to be loyal to clients.

HFA has the following policies designed to prohibit insider trading and to monitor the personal securities transactions of its supervised persons:

- No supervised person may trade, either personally or on behalf of others while in the possession of material, nonpublic information, nor may any personnel of HFA communicate material, nonpublic information to others in violation of the law.
- The interests of client accounts will at all times be placed first.
- All personal securities transactions will be conducted in such manner as to avoid any actual or potential conflict of interest or any abuse of an individual's position of trust and responsibility.
- Supervised persons must not take inappropriate advantage of their positions.
- Every access person/supervised person shall provide initial and annual holdings reports and quarterly transaction reports to HFA's Compliance Department. Such reports will cover transactions in a reportable security in which an access or supervised person has a beneficial interest or in accounts over which the access or supervised person exercises control as well as transactions by members of the supervised person's immediate family.
- HFA discourages supervised persons from investing in IPOs or limited offerings

HFA's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting High Falls Advisors at 585-935-5300.

### **Item 12 – Brokerage Practices**

HFA utilizes the services of Leigh Baldwin & Co., LLC as our Broker Dealer and Fidelity Institutional Wealth services, a division of Fidelity Investments, as our Custodian. These companies provide HFA with access to institutional trading and custody services, which services are typically not available to retail investors.

Clients in our 401-K management service will be relying on the respective corporate 401-K's custodian.

Many clients request that their HFA investment advisor representative also act as their broker-dealer representative so that they may assist them in managing their brokerage relationships and are available to resolve any problems that may occur.

Clients can direct HFA to utilize their desired brokers. However, if such other brokers are utilized, HFA has no control over the client's trade execution or any other brokerage issues. This is disclosed to the client.

If it is requested that HFA act as broker-dealer representative, we disclose to the client the following items relevant to our broker-dealer:

- Commission rates;
- Other costs and charges;
- Speed and reliability of execution

### **Item 13 – Review of Accounts**

- **Generally**

Individual investments are reviewed daily for changing market and economic conditions and to determine if the investment continues to be appropriate for the portfolio.

- **Personal Securities Portfolios/Select Sector Portfolio**

Accounts in these portfolios are reviewed quarterly to measure the results versus portfolio objectives. These reviews are performed by the advisor assigned to the account. Reports are made by phone, via e-mail, or at personal meetings.

- **Enhanced Allocation Strategy**

Accounts in these portfolios are monitored and reviewed at least quarterly by the portfolio manager and may be rebalanced as determined by asset allocation target and current market conditions. Reviews with clients are performed by the advisor assigned to the account and can be made via phone, e-mail or at personal meetings.

- **MTA/401-K Services**

The portfolio manager for these services performs daily monitoring of the individual investments calculating both long and short-term averages. These averages are then compared to the daily price of the investment, determining if a change in asset mix is appropriate.

Client accounts are reviewed at least semi-annually to review the actual portfolio weightings versus the target portfolio weightings and to determine if rebalancing of the account is required.

Clients in these accounts have electronic access to their quarterly statements with the option of these statements being provided via mail.

Clients in the 401-K service have on-line access to their accounts through T. Rowe Price, the Plan's record-keeper. Quarterly statements are provided to them electronically or in hard copy at the client option.

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

HFA does not receive compensation for client referrals.

#### **Item 15 – Custody**

HFA does not act as custodian of client assets. HFA uses both National Financial Services (“NFS”) and Fidelity Institutional Wealth Services (“IWS”) as custodians for the Portfolio Management Services. IWS acts as custodian of the Market Trends Account Service. For the 401-K management service, Mellon Financial Corporation acts as custodian of the 401-K assets in Eastman Kodak's Savings and Investment Plan.

Clients should receive at least quarterly statements from the broker dealer, bank or qualified custodian that holds and maintains client's investment assets. HFA urges its clients to carefully review such statements and compare the official custodial records to the account reports that we may provide to clients. HFA reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

In a small number of accounts, HFA advisors act as Power of Attorney or Trustee. In such cases, HFA policy requires that an entity or individual (i.e. family member, accountant, or attorney), independent of HFA, receives account statements and monitors the activity in such accounts. In addition, these accounts are also subject to a surprise annual audit performed by a qualified accounting firm. The results of this audit are reported annually to the SEC.

#### **Item 16 – Investment Discretion**

HFA usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities or funds to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

HFA does not assume this authority until we receive a written authorization in the client advisory agreement.

When selecting securities and determining amounts, HFA observes the investment policies, limitations and restrictions provided by the client.



**Item 17 – Voting Client Securities**

As a matter of firm policy and practice, HFA does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. HFA does not provide advice to clients regarding the clients' voting of proxies.

**Item 18 – Financial Information**

HFA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and is not and has not been the subject of a bankruptcy proceeding.

## FORM ADV PART 2B BROCHURE SUPPLEMENTS

This ADV Part 2B supplement provides information about HFA advisors. This is a supplement to High Falls Advisor, Inc.'s brochure. You should have received a copy of that brochure. Please contact High Falls Advisors (585-935-5300), if you did not receive High Falls Advisors, Inc. brochure or if you have any questions about the contents of this supplement.

### PROFESSIONAL CERTIFICATIONS:

Advisors have earned certifications, credentials and designations that are required to be explained.

**CERTIFIED FINANCIAL PLANNER™ (CFP®)** The Certified Financial Planner™ and federally registered CFP® (with flame design) marks are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. The CFP certification is voluntary. To obtain the CFP designation and to use the CFP marks, an individual must have a bachelor's degree (or higher) from an accredited college or university; complete a course of study approved by the CFP Board; have at least three years of full-time financial planning related experience; pass the comprehensive CFP® certification Examination; agree to be bound by the CFP's Board Standards of Professional Conduct; and complete 30 hours of continuing education every 2 years to maintain the designation.

**ENROLLED AGENT** An enrolled agent (EA) is a person who has earned the privilege of representing taxpayers before the IRS. An individual can become an enrolled agent by demonstrating special competence in tax matters by passing a written examination, applying for enrollment and completing a background check. Enrolled agents are required to obtain 72 hours of continuing education every 3 years with a minimum of 16 hours earned per year.

**ACCREDITED WEALTH MANAGEMENT ADVISOR<sup>SM</sup> (AWMA®)** Individuals who hold the AWMA® designation have completed a course of study encompassing wealth strategies, equity-based compensation plans, tax reduction alternatives, and asset protection alternatives. The designation is awarded by the College for Financial Planning. An individual can earn this designation after completing the course of self-study and passing an on-line examination. 16 hours of continuing education must be completed every 2 years to maintain the designation.

**CHARTERED RETIREMENT PLANNING COUNSELOR<sup>SM</sup> (CRPC®)** Individuals who hold the CRPC® designation have completed a course of study encompassing pre- and post-retirement needs, asset management, estate planning and the entire retirement planning process using models and techniques from real client situations. The designation is awarded by the College for Financial Planning. An individual can earn this designation after

completing the course of self-study and passing an end-of course examination that tests their ability to synthesize complex concepts and apply theoretical concepts to real-life situations. To maintain the designation, the individual must complete 16 hours of continuing education every 2 years and adhere to the CFP's Board Standards of Professional Conduct.

## **ADVISORS:**

### **JAMES H. MCBRIDE, PRESIDENT/CEO**

**Item 1 – Education and Business Experience.** James McBride was born in 1945. He graduated from the University of Maine with a Bachelor of Science degree in Agricultural Business and Economics in 1967.

James's experience includes a long career in banking. Prior to forming High Falls Advisors, he was General Manager of Sage Ruddy & Company. From 2006 to 2008, James was a registered investment advisor doing business as High Falls Advisors. In 2008, James formed High Falls Advisors, LLC, a limited liability company in partnership with James Englert. On December 31, 2012, High Falls Advisors, LLC merged into High Falls Advisors, Inc. where James continues to act in the management role as President and CEO. James is also an Investment Advisor and Portfolio Manager of the Personal Securities Portfolios and Select Sector Portfolios.

James was also a registered representative and investment advisor representative of Ensemble Financial Services, Inc. through July, 2011. From July 2011 to July 2013, James was a registered representative of Wall Street Financial Group, Inc.

**Item 2 – Disciplinary History.** There are no disciplinary actions to report.

**Item 3—Other Business Activities.** James is also a Registered Representative with Leigh Baldwin & Co., LLC, a Broker Dealer registered with the Financial Industry Regulatory Authority (FINRA). As a Registered Representative, James can sell securities through Leigh Baldwin for which he may receive commissions and fees from the sale of securities and mutual funds. Commissions for securities and mutual funds are based on the product sold.

James currently serves on the Board of St. John's Senior Communities in Rochester, New York and as Executive Director of the Bulrush Foundation. He also provides Trustee services.

**Item 4 – Additional Compensation.** James receives Trustee fees when he acts as Trustee of a trust and receives an administration fee for his role as the Executive Director of the Bulrush Foundation.

**Item 5 – Supervision.** James McBride's activities are supervised by James Englert (phone: 585-935-5300 x 108 / e-mail: [jenglert@highfallsadvisors.com](mailto:jenglert@highfallsadvisors.com)), and the Compliance Department at

HFA. This review/supervision is achieved through frequent office interactions, periodic reviews of randomly selected client accounts and regular meetings of the firm's Investment Committee.

**JAMES T. ENGLERT, EXECUTIVE VICE PRESIDENT, CFP<sup>®</sup>, EA**

**Item 1 – Education and Business Experience.** James T. Englert, CFP<sup>®</sup>, EA was born in 1943. He graduated from the Rochester Institute of Technology with a Bachelor of Science degree in Accounting in 1974.

From 2006 to 2008, James was the owner and principal of the firm Englert Financial Consulting, LLC working as an advisor, financial planner, and tax preparer. During this time, he was an investment advisor representative of High Falls Advisors. In 2008, James formed High Falls Advisors, LLC with James McBride. In December, 2012, High Falls Advisors, LLC became High Falls Advisors, Inc. James is an owner and Executive Vice President, investment advisor, financial planner, and tax preparer. James is also the Portfolio Manager of the MTA, 401-K Service, and Sector Rotation MTA strategies.

James is a Certified Financial Planner<sup>™</sup> (CFP<sup>®</sup>) and earned this designation in 1991. James is also an Enrolled Agent (EA) with the IRS since July, 2002.

**Item 2 – Disciplinary History.** There are no disciplinary actions to report.

**Item 3 – Other Business Activities.** James Englert is also a Registered Representative with Leigh Baldwin & Co., LLC, a Broker Dealer registered with the Financial Industry Regulatory Authority (FINRA). As a Registered Representative, James can sell securities through Leigh Baldwin for which he may receive commissions and service fees (trails) from the sale of securities, variable insurance products and mutual funds. Commissions for securities, variable insurance products and mutual funds are based on the product sold. James is also licensed to sell life, accident, health and long term care insurance. This activity may generate a commission.

**Item 4 – Additional Compensation.** James does not receive additional compensation or economic benefit from any other individuals or companies.

**Item 5 – Supervision.** James T. Englert's activities are supervised by James McBride (phone: 585-935-5300 x 105 / e-mail: jmcbride@highfallsadvisors.com) and the Compliance Department at HFA. This review/supervision is achieved through frequent office interactions, periodic reviews of randomly selected client accounts and regular meetings of the firm's Investment Committee. All incoming and outgoing correspondence between James T. Englert and his clients is monitored and all advertising is reviewed and approved by the Compliance Department.

## **KENNETH BURKE, GENERAL MANAGER/CFO**

**Item 1 – Education and Business Experience.** Kenneth Burke was born in 1964. He graduated from Niagara University with BBA degree in Accounting in 1986.

Prior to 2009, Ken was a CPA and partner in an accounting firm. In 2009, Ken started his own tax and business coaching firm, Ken Burke International, Inc. (d/b/a Focal Point Coaching of New York). In May of 2014, Ken joined High Falls as its General Manager and CFO. Ken also performs some tax preparation services for the firm and advises business owners on exit planning strategies for business succession.

**Item 2 – Disciplinary History.** There are no disciplinary actions to report.

**Item 3 – Other Business Activities.** Ken continues to operate Ken Burke International, Inc. for a select group of tax clients. Ken is also a member of the Niagara University College of Business Advisory Board.

**Item 4 – Additional Compensation.** Ken does receive compensation for some of the activities performed through Ken Burke International, Inc.

Ken does not receive compensation for his work on the Advisory Board at Niagara University. This is a volunteer position.

**Item 5 – Supervision.** Ken Burke's activities are supervised by James McBride (phone: 585-935-5300 x 105 / e-mail: [jmcbride@highfallsadvisors.com](mailto:jmcbride@highfallsadvisors.com)) and James Englert (phone: 585-935-5300 x 108 / e-mail: [jenglert@highfallsadvisors.com](mailto:jenglert@highfallsadvisors.com)).

## **DEBORAH D. BASTOW, MBA**

**Item 1 – Education and Business Experience.** Deborah D. Bastow was born in 1950. She graduated from the College of William and Mary with a Bachelor of Science degree in Mathematics in 1972 and from The Simon School at the University of Rochester with a Masters of Business Administration (MBA) in 1987.

From 2006 to 2007, Deborah was an independent financial advisor with James McBride DBA High Falls Advisors. In 2008, Deborah became an independent financial advisor with High Falls Advisors, LLC. From 2006 to 2011, Deborah was a Registered Representative of Ensemble Financial Services, Inc. From 2011 to 2013, Deborah was a Registered Representative and Investment Advisor Representative with Wall Street Financial Group, Inc. Deborah continues to act in her capacity as a salaried investment advisor with HFA.

**Item 2 – Disciplinary History.** There are no disciplinary actions to report.

**Item 3 – Other Business Activities.** Deborah is also a Registered Representative with Leigh Baldwin & Co., LLC, a Broker Dealer registered with the Financial Industry Regulatory

Authority (FINRA). As a Registered Representative, Deborah can sell securities through Leigh Baldwin for which she may receive commissions and service fees (trails) from the sale of securities, variable insurance products and mutual funds. Commissions for securities, variable insurance products and mutual funds are based on the product sold. Deborah is also licensed to sell life, accident, health and long term care insurance. This activity may generate a commission.

Deborah also performs Trustee Services.

**Item 4 – Additional Compensation.** Deborah receives Trustee fees when she acts as Trustee of a trust.

**Item 5 – Supervision.** Deborah D. Bastow’s activities are supervised by Michael Donnelly (phone: 585-935-5300 x 132 / e-mail: mdonnelly@highfallsadvisors.com) and the Compliance Department at High Falls Advisors, Inc. This review/supervision is achieved through frequent office interactions, periodic reviews of randomly selected client accounts and regular meetings of the firm’s Investment Committee. All incoming and outgoing correspondence between Deborah D. Bastow and her clients is monitored and all advertising is reviewed and approved by the Compliance Department.

### **MICHAEL DONNELLY, CFP®**

**Item 1 – Education and Business Experience.** Michael Donnelly, CFP® was born in 1975. He graduated from West Chester University with a Bachelor of Science degree in Business Administration in 1997.

From 2004 to 2012, Michael worked with Fidelity Investments as a Financial Planning Consultant and more recently as a Vice President/Senior Account Executive. In March 2012, Michael joined High Falls as an investment advisor representative and Financial Planner. He continues to be a salaried advisor with High Falls Advisor, Inc. and Vice President of the Advisor Team. Michael is also the Assistant Portfolio Manager for the MTA, 401-K Service, Sector Rotation MTA and Lead Portfolio Manager for the Enhanced Allocation Strategy portfolios.

Michael is a Certified Financial Planner™ (CFP®).

**Item 2 – Disciplinary History.** There are no disciplinary actions to report.

**Item 3 – Other Business Activities.** Michael is also a Registered Representative with Leigh Baldwin & Co., LLC, a Broker Dealer registered with the Financial Industry Regulatory Authority (FINRA). As a Registered Representative, Michael can sell securities through Leigh Baldwin for which he may receive commissions and service fees (trails) from the sale of securities, variable insurance products and mutual funds. Commissions for securities, variable

insurance products and mutual funds are based on the product sold. Michael is also licensed to sell life, accident, health and long term care insurance. This activity may generate a commission.

**Item 4 – Additional Compensation.** Michael does not receive additional compensation or economic benefit from any other individuals or companies.

**Item 5 – Supervision.** Michael Donnelly's activities are supervised by James T. Englert (phone: 585-935-5300 x 108 / e-mail: [jenglert@highfallsadvisors.com](mailto:jenglert@highfallsadvisors.com) ) and James McBride (phone: 585-935-5300 x 105 / e-mail: [jmcbride@highfallsadvisors.com](mailto:jmcbride@highfallsadvisors.com) ) and the Compliance Department at HFA. This review/supervision is achieved through frequent office interactions, periodic reviews of randomly selected client accounts and regular meetings of the firm's Investment Committee. Michael Donnelly's Advisor Team Manager responsibilities are supervised by High Falls' General Manager, Kenneth Burke (phone: 585-935-5300 ext. 111, [kburke@highfallsadvisors.com](mailto:kburke@highfallsadvisors.com)).

### **ALECIA FISHER DOUGHERTY, CFP®**

**Item 1 – Education and Business Experience.** Alecia Fisher Dougherty, CFP® was born in 1984. She graduated from Xavier University with a Bachelor of Science, Business Administration degree in Finance and Marketing in 2007.

From 2007 to 2013, Alecia worked with Fidelity Investments as an Account Executive and Investments Representative. In November 2013, Alecia joined High Falls Advisors, Inc. as a salaried investment advisor representative and Financial Planner.

Alecia is a Certified Financial Planner™ (CFP®).

**Item 2 – Disciplinary History.** There are no disciplinary actions to report.

**Item 3 – Other Business Activities.** Alecia is also a Registered Representative with Leigh Baldwin & Co., LLC, a Broker Dealer registered with the Financial Industry Regulatory Authority (FINRA). As a Registered Representative, Alecia can sell securities through Leigh Baldwin for which she may receive commissions and service fees (trails) from the sale of securities, variable insurance products and mutual funds. Commissions for securities, variable insurance products and mutual funds are based on the product sold. Alecia is also licensed to sell life, accident, health and long term care insurance. This activity may generate a commission.

**Item 4 – Additional Compensation.** Alecia does not receive additional compensation or economic benefit from any other individuals or companies.

**Item 5 – Supervision.** Alecia Fisher Dougherty's activities are supervised by Michael Donnelly (phone: 585-935-5300 x 132/e-mail: [mddonnelly@highfallsadvisors.com](mailto:mddonnelly@highfallsadvisors.com)) and the Compliance Department at HFA. This review/supervision is achieved through frequent office interactions, and periodic reviews of randomly selected client accounts.



## **ZACHARY HARRINGTON**

**Item 1 – Education and Business Experience.** Zachary Harrington was born in 1992. He graduated from the Alfred University with a Bachelor of Science degree in Finance 2014. During his time at Alfred University, Zachary served on the Board of the Student Managed Investment Fund, managing a portion of the School's endowment.

In 2014, Zachary joined High Falls as an Advisor Assistant. In early 2016, he moved into his current role as a salaried investment advisor representative.

**Item 2 – Disciplinary History.** There are no disciplinary actions to report.

**Item 3 – Other Business Activities.** None

**Item 4 – Additional Compensation.** Zachary does not receive additional compensation or economic benefit from any other individuals or companies.

**Item 5 – Supervision.** Zachary Harrington's activities are supervised by Michael Donnelly (phone: 585-935-5300 x 132/e-mail: [mdonnelly@highfallsadvisors.com](mailto:mdonnelly@highfallsadvisors.com)) and the Compliance Department at HFA. This review/supervision is achieved through frequent office interactions, periodic reviews of randomly selected client accounts and regular meetings of the firm's Investment Committee.

## **DEBORAH B. KING, CRPC®**

**Item 1 – Education and Business Experience.** Deborah B. King was born in 1965

From 2007 to 2011, Deborah worked for Ralph K. Angelo and Angelo Financial Planning Group as the Office Manager. Deborah joined High Falls Advisors in December, 2011 in our Operations Department and as an Advisor Assistant. In April 2014 Deborah took on a new role with High Falls Advisors as a salaried investment advisor representative.

Deborah holds the designation of Chartered Retirement Planning Counselor<sup>SM</sup> (CRPC<sup>®</sup>).

**Item 2 – Disciplinary History.** There are no disciplinary actions to report.

**Item 3 – Other Business Activities.** Deborah is also a Registered Representative with Leigh Baldwin & Co., LLC, a Broker Dealer registered with the Financial Industry Regulatory Authority (FINRA). As a Registered Representative of Leigh Baldwin, Deborah may receive commissions and service fees (trails) from the sale of securities, variable insurance products and mutual funds. Commissions for securities, variable insurance products and mutual funds are based on the product sold. Deborah is also licensed to sell life, accident, health and long term care insurance. This activity may generate a commission.



**Item 4 – Additional Compensation.** Deborah does not receive additional compensation or economic benefit from any other individuals or companies.

**Item 5 – Supervision.** Deborah B. King’s activities are supervised by Michael Donnelly (phone: 585-935-5300 x 132/e-mail: [mtonnelly@highfallsadvisors.com](mailto:mtonnelly@highfallsadvisors.com)) and the Compliance Department at HFA. This review/supervision is achieved through frequent office interactions and periodic reviews of randomly selected client accounts.

### **RUSSELL J. MANDRINO**

**Item 1 – Education and Business Experience.** Russell J. Mandrino was born in 1934. He graduated from the University of Rochester with a Bachelor of Science degree 1966.

Russell’s experience includes a long career in banking. Prior to joining High Falls Advisors, Russell was an investment advisor with Sage Ruddy & Company. From 2007 through 2008, he was an independent investment advisor with James McBride DBA High Falls Advisors and in 2008 Russell was an independent investment advisor with High Falls Advisors, LLC and continued in this capacity until 2015. In 2015, Russell became a salaried investment advisor to High Falls Advisors, Inc.

Russell was a registered representative and investment advisor representative of Ensemble Financial Services, Inc. through July, 2011. From July 2011 to July 2013, Russell was a registered representative and investment advisor representative with Wall Street Financial Group.

**Item 2 – Disciplinary History.** There are no disciplinary actions to report.

**Item 3 – Other Business Activities.** Russell is also a Registered Representative with Leigh Baldwin & Co., LLC, a Broker Dealer registered with the Financial Industry Regulatory Authority (FINRA). As a Registered Representative, Russell can sell securities through Leigh Baldwin for which he may receive commissions and service fees (trails) from the sale of securities and mutual funds. Commissions for securities and mutual funds are based on the product sold.

**Item 4 – Additional Compensation.** Russell does not receive additional compensation or economic benefit from any other individuals or companies.

**Item 5 – Supervision.** Russell Mandrino’s activities are supervised by Michael Donnelly (phone: 585-935-5300 x 132/e-mail: [mtonnelly@highfallsadvisors.com](mailto:mtonnelly@highfallsadvisors.com)) and the Compliance Department at HFA. This review/supervision is achieved through frequent office interactions, periodic reviews of randomly selected client accounts and regular meetings of the firm’s Investment Committee.

**MAUREEN J. PILATO, CFP®**

**Item 1 – Education and Business Experience.** Maureen J. Pilato, CFP® was born in 1979. She graduated from Villanova University with a Bachelor of Arts degree in English in 2001.

From 2006 to 2013, Maureen worked at Tompkins Financial Advisors (formerly A M & M Financial Services) as a Wealth Advisor and Assistant Vice President and from 2013 to 2014 at Halleran Financial Group as the Director and Vice President of Financial Planning. In April 2014, Maureen joined High Falls Advisors, Inc. as a salaried investment advisor representative and Senior Financial Planner.

Maureen is a Certified Financial Planner™ (CFP®).

**Item 2 – Disciplinary History.** There are no disciplinary actions to report.

**Item 3 – Other Business Activities.** Maureen is also a Registered Representative with Leigh Baldwin & Co., LLC, a Broker Dealer registered with the Financial Industry Regulatory Authority (FINRA). As a Registered Representative, Maureen can sell securities through Leigh Baldwin for which she may receive commissions and service fees (trails) from the sale of securities, variable insurance products and mutual funds. Commissions for securities, variable insurance products and mutual funds are based on the product sold. Maureen is also licensed to sell life, accident, health and long term care insurance. This activity may generate a commission.

**Item 4 – Additional Compensation.** Maureen does not receive additional compensation or economic benefit from any other individuals or companies.

**Item 5 – Supervision.** Maureen J. Pilato's activities are supervised by Michael Donnelly (phone: 585-935-5300 x 132/e-mail: mdonnelly@highfallsadvisors.com) and the Compliance Department at HFA. This review/supervision is achieved through frequent office interactions and periodic reviews of randomly selected client accounts.

**JENNIFER VOGLER, ESQ/ CHIEF COMPLIANCE OFFICER/TAX DEPARTMENT**

**Item 1 – Education and Business Experience.** Jennifer Vogler was born in 1969. She graduated from Hamilton College in 1991 with a Bachelor of Arts degree in History and English. She received her law degree (Juris Doctor) from SUNY at Buffalo in 1995 and was admitted to the NYS Bar in February, 1996.

Jennifer has served in the role of Chief Compliance officer at High Falls Advisors since 2007. In addition to her compliance duties, Jennifer leads the firm's tax department. Prior to joining High Falls, Jennifer ran her own solo law practice focusing on estate planning and real estate.

**Item 2 – Disciplinary History.** There are no disciplinary actions to report.

**Item 3 – Other Business Activities.** Jennifer continues to run a part-time solo law practice. Jennifer also serves as the Financial Consultant for the Irondequoit Girl Scouts of Western New York.

**Item 4 – Additional Compensation.** Jennifer does receive outside compensation for the activities performed as a solo-practice attorney. The financial consultant role with the Girl Scouts is a volunteer position and she does not receive compensation for this work.

**Item 5 – Supervision.** Jennifer Vogler’s activities are supervised by James McBride (phone: 585-935-5300 x 105 / e-mail: [jmcbride@highfallsadvisors.com](mailto:jmcbride@highfallsadvisors.com)) and Kenneth Burke (phone: 585-935-5300 ext. 111, [kburke@highfallsadvisors.com](mailto:kburke@highfallsadvisors.com)). Jennifer has tax-only clients assigned to her for which she prepares tax returns and provides tax-specific advice. Jennifer does not perform any investment advisory functions for clients.