

# **GARY GOLDBERG PLANNING SERVICES, INC.**

## **DISCLOSURE BROCHURE**

OCTOBER 1, 2011

FORM ADV

**PART 2A**

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This brochure provides information about the qualifications and business practices of Gary Goldberg Planning Services, Inc. If you have any questions about the contents of this brochure, please contact us at:

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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.

The use of the term "Registered Investment Advisor" does not imply a certain level of skill or training.

Additional information about Gary Goldberg Planning Services, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 - Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amend the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated September 15, 2011 is a new document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and contains certain new information that our previous brochure did not.

In the future, this Item will discuss only specific material changes that are made to the Brochure and we will provide clients with a summary of such changes. We will also reference the date of the last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to the new SEC Rules we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We will also provide other ongoing disclosure information about material changes as necessary, without charge.

We will provide you with a new Brochure as necessary based on changes or significant new information, at any time, without charge. You may also request a copy of this brochure by contacting us at (845) 368-2900 or [info@garygoldberg.com](mailto:info@garygoldberg.com). You may also download a copy of our Brochure from our web site at [www.ggfs.com](http://www.ggfs.com), free of charge.

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## Item 4 - Advisory Business

### **A. Firm Description / Principal Owner**

Gary Goldberg Planning Services, Inc. (hereinafter “GGPS”) is an SEC registered Investment Advisor providing advice to individual investors. GGPS is a Delaware Corporation founded in 1973.

GGPS is a wholly owned subsidiary of Gary Goldberg & Co., Inc., (hereinafter GGCo) a Registered Broker Dealer, Member FINRA and SIPC. The Principal Owner of GGCo is an individual, Gary M. Goldberg, who serves as the Chairman of the Board and Chief Executive Officer of both GGPS and GGCo.

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

GGPS is a boutique money management firm providing mass affluent investors with personalized and custom service to meet their financial needs at every stage of life.

GGPS offers discretionary portfolio management and non-discretionary portfolio management using individual equities, bonds or bond funds, no-load mutual funds, exchange traded funds, and variable annuities, to prepare custom portfolios to address a client’s needs.

The vast majority of clients are managed in discretionary portfolios. Clients in this program allow GGPS to have full discretion to make buy and sell decisions on their behalf based on specific objectives or strategies established between GGPS and the client. Accounts are separately managed and clients retain individual ownership of all securities.

When appropriate to the needs of the client, GGPS may recommend the use of margin accounts or option writing. These strategies will only be used after a separate review of the client’s profile by the firm’s ROSFP (Registered Options and Security Futures Principal).

GGPS uses a number of models developed and maintained by the firm’s 5 member strategic investment committee. Each model contains solutions with varying risk profiles.

Select Trac MF and ETF Program - GGPS manages accounts in two “wrap fee” programs - the Select Trac Mutual Fund Program and the Select Trac Exchange Traded Fund Program. In both Programs, GGPS manages client accounts on a discretionary basis through asset allocation and investment strategies developed by GGPS. The minimum account size is \$50,000 for the MF program and \$100,000 for the ETF Program. Exceptions will be permitted at the discretion of GGPS.

Select Trac Equities Program - GGPS manages accounts in three separate portfolios: Select Opportunity Portfolio, Growth & Income Model, and Income Model. In this program, GGPS manages client accounts on a discretionary basis through asset allocation and investment strategies developed by GGPS. The minimum account size is \$300,000 for the Select Opportunities Portfolio and \$200,000 for the Growth & Income Model and Income Model. Exceptions will be permitted at the discretion of GGPS.

Select Trac Dividend Buster Program - GGPS manages accounts in the Dividend Buster Model. In this program, GGPS manages client accounts on a discretionary basis through asset allocation and investment strategies developed by GGPS. The portfolios consist of stocks, exchange-traded funds, real estate investment trusts, bonds, mutual funds, and/or options. In certain circumstances, GGPS may fulfill one or more asset classes with other securities instead of those listed above. The minimum account size is \$100,000 for the Dividend Buster Model. Exceptions may be permitted at the discretion of GGPS.

Advisor Plus Program (Discretionary or Non-Discretionary) - A GGPS investment consultant makes the day to day investment decisions in this account, with oversight by a strategic investment committee member. The accounts

consist of stocks, bonds, mutual funds and/or options strategies. In discretionary accounts, if the client authorizes the arrangement, the advisory representative makes investments for the account in his or her discretion, so that investments are not pre-approved by the client. In non-discretionary accounts, the client must approve the investment decision in advance. The minimum account size is \$100,000. Exceptions will be permitted at the discretion of GGPS.

Fund Trac/Variable Annuity and Linked Account Program – Assets of the client that are invested by the client in a variable annuity product (“VA Account”) are managed by GGPS by reallocating among the sub-accounts of that product. Additional assets are invested outside the annuity in other vehicles including mutual funds, money markets, equities, etc., (“Linked Account”) in order to achieve an investment strategy consistent with the client’s investment objectives. The minimum account size is \$10,000.

### **C. Tailored Relationships**

The client’s GGPS representative will design, individually or in consultation with the investment committee, a portfolio using one or several of GGPS’ Programs in order to meet the needs and goals of the individual client. Clients will have the opportunity to place reasonable restrictions on investments which will be made on the client’s behalf.

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

GGPS sponsors and acts as the sole investment manager to two wrap fee programs - Select Trac Mutual Fund Program and the Select Trac Exchange Traded Fund Program. In these accounts, all administrative, commission, and management expenses are included in the investment advisory fee. (Note, however, that this does not include internal fees and expenses imposed by the fund or certain administrative fees charged by the clearing firm such as fees for wire transfers or certificate issues, IRA account fees, account closing fees, or mail expenses). In non-wrap accounts, transaction charges for accounts are generally to be paid by the client. These transaction charges imposed by the clearing firm generally include a ticket charge of \$12. GGCo or the clearing firm may change these charges periodically. The clearing firm will generally receive all of the ticket charge. If a ticket charge is passed through to the client, it will not exceed \$12.00 per transaction. This sum reflects both the ticket charge and transaction charged assessed by the clearing firm and a nominal charge to GGCo.

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

As of August 15, 2011, the GGPS manages approximately \$448,206,241 in assets. Approximately 3,345 accounts worth \$447,183,183 are managed on a discretionary basis and approximately 5 accounts worth 1,023,058 are managed on a non-discretionary basis.

## **Item 5 - Fees and Compensation**

GGPS will receive a management fee based on the amount of assets under management and on the management program chosen.

### **A. Compensation**

#### **(i) Discretionary Portfolio Management and Non-Discretionary Portfolio Management fees**

In the firm’s Select Trac Equities program (Discretionary) and Advisor Plus program (Discretionary and Non-Discretionary), the Client is charged an annual advisory fee that is a percentage of the assets in the account as follows (subject to any special arrangement negotiated with a particular client):

<u>Assets in Account</u>	<u>Annual Fee</u>
Up to \$100,000	1.875%
Up to \$350,000	1.75%
Up to \$650,000	1.50%
Up to \$1,000,000	1.25%
Over \$1,000,000	1.00%

The Advisory Fee rate is linear, i.e., as the value of the assets reaches various thresholds, all of the assets are charged an Advisory Fee at the lower rate. “Assets in Account” includes all assets managed by GGPS in any of its asset management programs excluding assets managed in the Fund Trac Variable Annuity Program. “Assets in Account” also excludes assets in brokerage accounts with GGC.

For accounts with assets valued at less than \$50,000, a minimum annual fee of \$875.00 will apply.

In the firm’s Select Trac Dividend Buster program, the Client is charged an implementation fee and an advisory fee that is a percentage of the assets in the account, as follows (subject to any special arrangement negotiated with a particular client):

(a) **Implementation Fee.** The Account will be charged a non-refundable fee at inception of 1.25% of the value of the assets placed under management in the program payable from the Account at the time the account is opened (the “Implementation Fee”). At the end of the portfolio’s term (typically 15 months), the model will be dissolved and replaced with an updated portfolio comprised of the securities that meet the portfolios criteria at that time unless the client requests that this agreement be terminated 30 day prior to the end date of the program. If the client does not terminate this agreement, the account will be charged a non-refundable Implementation Fee of 1.25% payable from the Account at the time the account is restructured. Additional charges may apply for costs associated with the liquidation of existing holdings that are transferred into the program in-kind. Although the Implementation Fee is designed to cover the cost of necessary adjustments to the account, GGPS reserves the right to pass along any current and future costs associated with extraordinary, large scale changes required by unusual circumstances in the financial markets.

(b) **Advisory Fee.** The Account will be charged an Advisory Fee on a quarterly basis in advance (the “Advisory Fee”). The Advisory Fee rate charged each quarter will be one-fourth the annual Advisory Fee rate, which is 1%. Thus, the quarterly fee will be .25%.

(ii) Discretionary Managed Variable Annuity fees

In GGPS’ Fund Trac Variable managed variable annuity program, the Client is charged an annual advisory fee of 1.875% of the assets in the account, subject to any special arrangement negotiated with a particular client. For accounts with assets valued at less than \$50,000, a minimum annual fee of \$875.00 may apply.

(iii) Discretionary Managed Mutual Fund and ETF Wrap Fee Programs

GGPS manages accounts in the Select Trac Mutual Fund wrap fee program and the Select Trac ETF wrap fee program. For more information about these wrap fee programs, including the services provided and fees charged, see the Wrap Fee Disclosure Brochure – Form 2A Appendix 1.

## **B. Calculation and Payment**

The specific manner in which fees are charged by GGPS is established in a client's written agreement with GGPS.

Discretionary Portfolio Management and Non-Discretionary Portfolio Management fees are due and payable quarterly in advance. At the option of the client, these fees are either invoiced to and paid separately by the client or are debited by the custodian based on the average daily balance in the client account during the preceding quarter. The fee for the first period is debited at the beginning of the first full month the account is open, and is based on the average daily balance for the period the account has been open. If there is cash or a cash position in the account, the fee is deducted from the cash balance. If there is no cash or cash position, securities will be sold from the account to generate the funds to pay the fee. Fees will be prorated for any partial period. In the event of advisory agreement termination, Adviser will refund pre-paid fees on a pro-rata basis calculated from the date of termination through the end of the quarter. Minimum account size and fees are negotiable.

Transaction charges for accounts are generally to be paid by the client except for Wrap Programs (see Appendix 1). These transaction charges imposed by the clearing firm generally include a ticket charge of \$12. GGCo or the clearing firm may change these charges periodically. If a ticket charge is passed through to the client, it will not exceed \$12.00 per transaction. This sum reflects both the ticket charge and transaction charge assessed by the clearing firm and a nominal charge to GGCo.

### Fund Trac Variable Annuity and Linked Account Program –

The fee is paid on a quarterly basis in advance, based on the average daily balance in the client account during the preceding quarter. The client has the option of paying the fee directly (either by check or by debit from an alternate account), or having it deducted from the account. Within two weeks after the beginning of the quarter, the client is sent a debit notice or invoice showing the amount of the fee for the quarter and how it was calculated. Fees will be prorated for any partial period. In the event of advisory agreement termination, Adviser will refund pre-paid fees on a pro-rata basis calculated from the date of termination through the end of the quarter.

## **C Agreement Terms**

A client may terminate the client agreement at any time by notifying GGPS in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination. If the client made an advance payment, GGPS will refund any unearned portion of the advance payment.

Additionally, GGPS may terminate the client agreement at any time by notifying the client in writing. If the client made an advance payment, GGPS will refund any unearned portion of the advanced payment.

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

GGPS does not charge performance-based fees and does not participate in side-by-side management.

## **Item 7 – Types of Clients**

GGPS clients are primarily retirement age individuals in the “mass affluent” category, i.e., individuals with \$100,000 to \$2,500,000 of liquid financial assets. GGPS also has pension/profit sharing plans, charitable organizations, and corporations as clients. The following minimum account sizes and minimum annual fees apply, but may be waived by the firm.

<u>Account Type</u>	<u>Minimum Account Size</u>	<u>Minimum Annual Fee</u>
Select Trac Mutual Fund	\$50,000	\$875
Select Trac ETF	\$100,000	\$875
Select Trac Equities	\$200,000	\$875
Select Trac Opportunities	\$300,000	\$875
Select Trac Dividend Buster	\$100,000	\$875
Advisor Plus	\$100,000	\$875
Fund Trac Variable	\$10,000	\$875

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

### A. Method of Analysis

We use the following methods of analysis to determine which securities to buy, sell, or hold:

1. Fundamental analysis: We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

2. Technical analysis: We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

3. Cyclical analysis: In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to anticipate the price movement of the security.

4. Charting: In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict when how long the trend may last and when that trend might reverse.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

5. Asset Allocation: Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

6. Mutual fund and/or ETF analysis: We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in other fund in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.



A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the fund or ETF less suitable of the client's portfolio.

7. Computer software: We use computerized financial planning software to organize data and create a preliminary analysis of the client's current and projected financial situation. In order to analyze security performance and risk, we use a variety of technical data supplied by third parties as well as percentile rankings of mutual fund managers' adjusted risk performance.

A risk of such computer programs is that projections and recommendations formulated from the program are generated from assumptions entered by the software's programmers, often based on how markets or securities have historically performed. However, markets and securities can and often do perform differently than they have in the past.

Risks for all forms of analysis: Our securities analysis method relies on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

## **B. Investment Strategies**

GGPS uses a number of investment strategies in the management of model portfolios.

1. Long-Term Purchases: GGPS purchases securities with the idea of holding them in the client's account for a year or longer.

Typically GGPS employs this strategy when:

- GGPS believes the securities to be currently undervalued; and/or,
- GGPS wants exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, GGPS may not take advantage of short-term gains that could be profitable to a client. Moreover, if GGPS's predictions are incorrect, a security may decline sharply in value before GGPS makes the decision to sell.

2. Short-Term Purchases: When utilizing this strategy, GGPS purchases securities with the idea of selling them within a relatively short time (typically a year or less). GGPS does this in an attempt to take advantage of conditions that GGPS believes will soon result in a price swing in the securities purchased. **GGPS rarely utilizes this strategy.**

A risk in a short-term purchase strategy is that, should the anticipated price swing not materialize, we are left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss. In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

3. Short Sales: GGPS borrows shares of a stock for the client's portfolio from someone who owns the stock on a promise to replace the shares on a future date at a certain price. Those borrowed shares are then sold. On the agreed-upon future date, GGPS buys the same stock and returns the shares to the original owner. GGPS engages in short selling based on GGPS's determination that the stock will go down in price after GGPS has borrowed the shares. If

GGPS is correct and the stock price has gone down since the shares were purchased from the original owner, the client account realizes the profit. **GGPS rarely utilizes this strategy.**

One risk in selling short is that losses are theoretically unlimited; we are obligated to repurchase the stock no matter how much the price has climbed. In addition, even if we are correct in determining that the price of a stock will decline, we run the risk of incorrectly determining when the decline will take place. Short selling may not be appropriate in times of inflation, as prices may adjust upwards regardless of the value of the stock.

4. Margin transactions: GGPS will purchase stocks for the client's portfolio with money borrowed from the client's brokerage account. This allows the client to purchase more stock than the client would be able to with the cash that is available, and allows GGPS to purchase stock without selling other holdings. **GGPS rarely utilizes this strategy.**

5. Option writing: GGPS may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset. **GGPS rarely utilizes this strategy.**

The two types of options are calls and puts:

- A call gives GGPS the right to buy an asset at a certain price within a specific period of time. GGPS will buy a call if GGPS believes that the stock will increase before the option expires, or as a hedge for a short position.
- A put gives GGPS the right to sell an asset at a certain price within a specific period of time. GGPS will buy a put if GGPS believes that the price of the stock will fall before the option expires, or as a hedge to a long position.

GGPS will use options to speculate on the possibility of a sharp price swing. GGPS will also use options to "hedge" a purchase of the underlying security; in other words, GGPS will use an option purchase to limit the potential upside and downside of a security that has been purchased or shorted in the client's portfolio.

GGPS uses "covered calls," in which GGPS sells an option on a security owned by the client. In this strategy, the client receives a fee for making the option available, and the person purchasing the option has the right to buy the security from the client at an agreed-upon price. **This is the most common option strategy used by GGPS and is used in many equity focused portfolios.**

A risk of covered calls is that the option buyer does not have to exercise the option, so that if we want to sell the stock prior to the end of the option agreement, we have to buy the option back from the option buyer, for a possible loss.

GGPS uses a "spreading strategy", in which GGPS purchases two or more option contracts (for example, a call option that the client buys and a call option that the client sells) for the same underlying security. This effectively puts the client on both sides of the market, but with the ability to vary price, time and other factors. **GGPS rarely utilizes this strategy.**

A risk of spreading strategies is that the ability to fully profit from a price swing is limited.

### **C. Risk of Loss**

Securities investments are not guaranteed and the client may lose money on investments. The client should be prepared to bear those losses. GGPS asks that the client work with GGPS to help GGPS understand the client's tolerance for risk.

## Item 9 – Disciplinary Information

GGPS is required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of the Advisor's advisory business or the integrity of the Advisor's management.

GGPS and its management personnel have no reportable disciplinary events to disclose.

## Item 10 – Other Financial Industry Activities and Affiliations

### A. Related Broker/Dealer

GGPS is a subsidiary of GGCo, a broker/dealer registered with the Securities and Exchange Commission and a member of FINRA. GGCo and its registered representatives may receive compensation in the form of commissions and 12b-1 fees for securities products sold through the broker/dealer, including trades effected for client portfolios managed by GGPS. The recommendation by GGPS of products or services for which its affiliate will receive compensation constitutes a conflict of interest. Clients may choose to effect GGPS recommendations through firms other than GGCo, but this may limit the ability of GGPS to access account information or provide identical services or pricing.

GGCo generally acts as broker-dealer for the Select Trac Equities, Advisor Plus, and Fund Trac/Variable Annuity Programs. (For Select Trac Mutual Fund and ETF programs, please see appendix 1). Transaction charges for accounts are generally to be paid by the client. These transaction charges imposed by the clearing firm generally include a ticket charge of \$12. In addition, equity transactions will generally incur costs of \$0.02 per share. GGCo or the clearing firm may change these charges periodically. The clearing firm will generally receive all of the ticket charge. If there is a difference between the amount of the ticket charge assessed by the clearing firm and the amount of the ticket charge paid by the client, GGCo will generally retain the difference. The clearing firm will also generally receive all or a portion of the per share charge for equity transactions. If a ticket charge is passed through to the client, it will not exceed \$12.00 per transaction. This sum reflects both the ticket charge and transaction charged assessed by the clearing firm and a nominal charge to GGCo.

GGCO receives compensation from the issuers of all of the variable annuities that are available to brokerage customers. The compensation includes up-front commissions, trailing commissions, and may include payments for both administrative services that GGCo provides, and payments made in connection with programs that support its marketing and sales-force education and training efforts (referred to here as "Sponsorship Programs").

The variable annuity issuers that participate in the Sponsorship Programs are listed below (Participating Sponsors). The payments made under the Sponsorship Programs are calculated based upon the new assets that are invested in the variable annuity contracts issued by the Participating Sponsors (a Participating Annuity). These Participating Annuities may be managed by GGPS in their Fund Trac Variable fee-based advisory program. GGCO may receive compensation of up to 0.40 percent of the assets invested in a Participating Annuity. For example, if you held \$10,000 dollars in a Participating Annuity for one year, GGCO could receive up to \$40. GGCO agents do not receive any part of these payments.

Participating Sponsors:

AIG SunAmerica Life  
Assurance Company  
Allstate Life Insurance Company  
AXA Distributors LLC  
Genworth Financial  
The Hartford  
ING USA Annuity and Life Insurance Company

Jackson National Life Insurance Company  
John Hancock Life Insurance Company  
Lincoln Financial Distributors, Inc.  
MassMutual Life Insurance Company  
Metlife Investors Insurance Company  
Nationwide Life Insurance Company  
Pacific Life Insurance Company  
Prudential Life Assurance Corporation  
Scudder Distributors, Inc.  
Sun Life Financial Distributors, Inc.  
Transamerica Capital, Inc.  
USAllianz Investor Services, LLC

Information about a variable annuity's fees and expenses may be found in the fee table located in the variable annuity contract document.

Variable annuities are sold by prospectus, which contains more complete information including investment objectives, risk factors, fees, surrender charges and other costs as well as other information about the investment company. Read it carefully before investing or sending money.

Investors are strongly advised to consider the investment objectives, risks, and charges and expenses of the investment company carefully before investing. A prospectus for any of the above referenced Variable Annuities can be obtained by calling our Investor Services Department at (800) 433-0323.

### **B. Other Investment Advisor**

Certain employees of GGPS are members of Montebello Partners LLC, (“MPLLC”) a Delaware Limited Liability Company and an Investment Advisory Firm registered with the Securities and Exchange Commission. MPLLC manages a mutual fund called the GMG Defensive Beta Fund, which will be used in most or all of GGPS programs. Clients will pay, and MPLLC will receive, a separate management fee from GMG Defensive Beta Fund.

### **C. Related Insurance Company or Agency**

GGCo, parent of GGPS, acts as an insurance agency. Products sold through this agency pay a commission to the firm and the representative. GGPS and its associates have a conflict of interest when recommending insurance products for which they will receive additional compensation. Clients are always free to decline insurance recommendations, or may choose to implement those recommendations through channels unaffiliated with GGPS.

Certain employees of GGPS are members of Legacy Benefit Assurance LLC, (“Legacy”) a Delaware Limited Liability Company that is a New York licensed health, life, property, and casualty insurance company. Legacy does not sell financial instruments, but may sell other insurance products including life insurance and long term care insurance to clients of GGPS. No compensation will be transferred between GGPS and Legacy.

### **D. Related Law Firm**

Arnold E. Reiter, Esq. of the firm Reiter and Ziper is a member of the Board of Directors of GGPS and its parent, GGCo.

### **E. GGPS Preferred Stock or Promissory Notes**

Certain clients of GGPS hold previously issued shares of GGPS preferred stock or promissory notes issued by GGPS’s CEO. These preferred shares and notes were sold through GGCo as placement agent. These securities are no longer offered to current or prospective clients of GGPS; nor are the sale of such securities recommended by GGPS. The business and financial interests of GGPS and its CEO, as issuers of these securities and in their dealings

as affiliates with each other, may differ from the interests of holders of these securities in receiving an investment return; thus there is the potential that actions may be taken which could operate to the disadvantage of such securities holders. GGPS has adopted procedures regarding the fair allocation of investment opportunities to ensure that no client, including those with an ownership or debt stake in GGPS, is favored over any other client.

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

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

GGPS has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. GGPS' Code of Ethics describes the firm's fiduciary duties and responsibilities to clients, and sets forth GGPS' practice of supervising the personal securities transactions of supervised persons with access to client information. Individuals associated with GGPS may buy or sell securities for their personal accounts identical to or different than those recommended to clients. It is expressed policy of GGPS that no person employed by the firm shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on the investment decisions of advisory clients. All purchases are subject to holding period pursuant to the firm's policies and procedures.

To supervise compliance with its Code of Ethics, GGPS requires that individuals associated with our firm who have access to non-public information regarding advisory recommendations or transactions to advisory client accounts provide annual securities holdings reports and monthly statements (or quarterly, if no monthly statement is generated) to the firm's Chief Compliance Officer. GGPS requires such access persons to also receive approval from the Chief Compliance Officer prior to investing in any IPO's or private placements (limited offerings).

GGPS requires that all individuals act in accordance with all applicable Federal securities laws. GGPS's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. Any individual not in observance of the above may be subject to discipline. GGPS will provide a complete copy of its Code of Ethics to any client upon written request to the Chief Compliance Officer at GGPS's principal address.

### **B. Participation or Interest in Client Transactions**

As noted above, GGPS is a subsidiary of GGCo, a registered broker/dealer. GGCo may, as principal, buy securities for itself from, or its CEO, Gary M. Goldberg (who is also the CEO of GGPS), may, as principal, buy securities for himself, from, or sell securities to, any client of GGPS who may also have a brokerage account with GGCo. Additionally, GGCo may effect for compensation securities transactions on behalf of such clients of GGPS.

GGCo will generally not execute principal transactions with clients in advisory accounts. However, in accordance with applicable law and regulation, GGCo may on rare occasions execute principal trades for advisory accounts. In addition, GGCo will generally not execute "agency-cross" transactions (i.e., transactions for which GGCo acts as broker for both the client and the counterparty to the transaction). However, GGCo may on rare occasions execute agency-cross transactions for advisory accounts in accordance with applicable law and regulations. Because GGCo may receive compensation from the other party to such transaction, GGCo may have a potentially conflicting division of loyalties and responsibilities in effecting agency-cross transactions. Clients who have authorized such transactions may revoke this authorization at any time by written notice to GGCo.

All of these situations may create a conflict of interest. To assist GGPS in fulfilling its fiduciary responsibilities, it has adopted procedures intended to foster implementation of the following:

1. No person associated with GGPS may buy or sell securities for their personal portfolio(s) if the decision to do so is based in whole or in part on information obtained through the association with GGPS, unless the information is reasonably available to the investing public.

2. Associated persons of GGPS who have access to recommendations provide duplicate statements of their investment accounts to the company's compliance department. An officer, or his designee, reviews the statements.
3. Disclosure is made to all clients that associated persons of GGPS may receive separate compensation when effecting transactions on behalf of advisory clients.
4. GGPS requires that all associated persons act in accordance with all applicable Federal and State regulations.
5. Failure to comply with these points may result in the termination of the associated person.

## Item 12 – Brokerage Practices

1. **Research and other Soft Dollar Benefits.** GGPS does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.
2. **Brokerage for Client Referrals.** GGPS does not receive client referrals from broker/dealers.
3. **Directed Brokerage.** GGPS generally does not accept brokerage discretion from any client, but instead, requires that clients direct GGPS to place trades through GGCo and its clearing firm, National Financial Services (NFS). As disclosed at Item 10 of this Brochure, GGPS' members are affiliated with GGCo, a registered broker-dealer and member of FINRA. GGPS reserves the right to decline acceptance of any client account for which the client directs the use of a broker other than GGCo or a clearing firm other than NFS. GGPS utilizes GGCo because GGPS is an affiliate and the firm is therefore able to achieve greater operational efficiency and economies of scale. GGPS also believes that this recommendation is in the best interests of its clients as the affiliation permits discounted commission rates; a comprehensive execution and account servicing platform; experience with and familiarity with NFS's system by GGPS associates and employees; and GGPS's generally high opinion of NFS's customer service.

Other considerations are the technological access to NFS available to GGCo and GGPS. GGPS also believes that customers are well-served by NFS's ability to clear a wide range of assets.

Clients should understand that GGPS has a conflict of interest in recommending its affiliated broker-dealer and in recommending the associated services of GGCo's clearing firm. As GGCo processes more accounts and transactions through NFS, it will be able to use these transactions to meet its minimum monthly clearing fees. This provides a benefit to GGCo, even if no additional commissions are charged. In addition, GGCo receives other fees from NFS, such as rebates on money market or margin account balances, based on accounts and balances carried with NFS. Clients should note that in directing the use of GGCo and NFS, GGPS will not have authority to negotiate commissions among various broker dealers on a trade by trade basis and best execution may not be achieved.

Where GGPS refers a client to GGCo as introducing broker dealer for execution, GGPS may effectively have discretionary authority to determine commission rates. GGPS will ensure that GGCo charges rates that are either (1) specially-negotiated to reflect discounts available by virtue of the affiliation between GGCo and GGPS; or (2) competitive with other full-service brokerage firms offering execution and other services. GGPS cannot, however, guarantee that the commissions charged by any broker-dealer used for execution will be the lowest available rates. Clients may be able to obtain similar services at higher or lower commission rates.

GGPS or GGCo may, but shall not be obligated to, aggregate orders for advisory accounts with orders for other advisory accounts or clients. GGPS or GGCo will allocate securities so purchased or sold, as well as the expense incurred in the transaction, in a manner that it considers to be so equitable and consistent with its fiduciary obligations to clients. GGPS or GGCo will assign accounts the average price resulting from such aggregated trades.

## **Item 13 – Review of Accounts**

William Krivicich, the firm's Chief Investment Officer, reviews client accounts on weekly basis and meets with the firm's investment committee, which includes Gary Goldberg, Richard Kersting, Peter Dedel, and Oliver Pursche, at least monthly to review the account and determine whether the accounts are within their stated guidelines.

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

GGPS may enter into solicitation agreements through which it will receive compensation for referring clients to other investment advisory programs. Vendors or sub-advisors used by GGPS may pay for training and marketing support to assist GGPS in considering and recommending its products. These sub-advisors may also grant GGPS access to their web site and provide discounted software, sample investment calculators, and other forms used by GGPS in the routine conduct of its business.

Where GGPS acts a solicitor, the firm will refer investors to other advisors and receive a referral fee for doing so. The firm currently has no formal arrangements to solicit on behalf of other advisors. Where it does so, however, GGPS will provide a separate disclosure statement describing the arrangement and the compensation to be paid to GGPS. The client will also receive the other advisors disclosure documents. In all cases, solicitation fees or sub-Program Fees are paid out of the advisor's stated management fee; clients do not pay an additional fee to GGPS and the fees charged are not otherwise increased.

GGPS associates are compensated through receipt of a portion of the asset-based fee. As such, they receive more compensation when they bring in new clients to GGPS, and that compensation may be more than what the person would receive if the client participated in other programs, or paid separately for investment advice, brokerage, and other services. In addition, the firm periodically offers incentive arrangements whereby associates receive a higher level of compensation based on assets brought to the firm in a specific time period. Therefore, GGPS's associates have a financial incentive to recommend the Programs over other programs or services.

GGPS may from time to time pay referral fees to GGCo, or its employees, an affiliated broker/dealer, for referrals of clients, where allowable by law. These referral fees would be paid out of the Program Fees paid to GGPS so there would be no additional charge to the referred client.

## **Item 15 – Custody**

GGPS does not take custody of client's funds and it therefore does not issue accounts statements, although it may generate some account documentation or consolidated reports for use at client meetings. These reports are made for illustration only and should not be used as a substitute for the account statement the client receives, on at least a quarterly basis, from the qualified custodian that holds and maintains client's investment assets. GGPS urges clients to carefully review the statements received directly from the account custodian.

Custody of the accounts is currently handled by NFS, an unaffiliated broker/dealer, which also acts as the clearing firm for the purchase and sale of the securities in the account. Securities transactions are processed through GGCo, a registered broker/dealer, which is the parent company of GGPS.

## **Item 16 – Investment Discretion**

For clients granting discretionary authority to the firm, GGPS will have the authority to determine (1) the securities to be bought or sold and (2) the amount of the securities to be bought or sold without consent of the clients.

Advisory clients who elect not to grant such discretionary authority to GGPS are advised that trades in their accounts will typically be executed subsequent to trades effected in discretionary accounts due to the time involved

in obtaining the requisite client approval. Consequently, these clients may not participate in blocked trades and there may be a difference in the price paid per share of a given security and the commission rates paid by these clients as compared to other clients depending, in part, on the type of security traded.

### **Item 17 – Voting Client Securities**

GGPS does not generally have authority to vote proxies on behalf of clients. Clients in the programs must make arrangements to receive proxy materials from the custodian and are responsible for voting their proxies. GGPS will provide a copy of its Proxy Voting procedures to any client upon written request to the Chief Compliance Officer at GGPS's principal address.

### **Item 18 – Financial Information**

GGPS does not require or solicit prepayment of more than \$1,200.00 in fees per client, six months or more in advance.

GGPS has never been the subject of a bankruptcy petition.