

**Item 1 - Cover Page**

**Leigh Baldwin & Co., LLC**

**112 Albany Street, Cazenovia, NY 13035**

**1-800-659-8044**

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

**Brochure Dated 4.20.2023**

This Brochure provides information about the qualifications and business practices of Leigh Baldwin & Co., LLC. If you have any questions about the contents of this Brochure, please contact us at 1-800-659-8044. 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.

Leigh Baldwin & Co., LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Leigh Baldwin & Co., LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

### *ITEM 4 Advisory Business and ITEM 5 Fees and Compensation:*

We have added the offering of FMAX as a service to our Traditional Managed Accounts, which includes changes in the frequency of billing, the computation of billing of Assets Under Management, as well as the addition of access to a suite of FIWA organized management programs.

### *ITEM 5 Fees and Compensation and ITEM 12 Brokerage Practices*

We have provided clarification on what additional fees may be charged while using our affiliated Broker Dealer of Leigh Baldwin & Co., LLC, and our clearing firm National Financial Services and the clarification of what entity receives a portion of those fees.

### *ITEM 10 Other Financial Industry Activities and Affiliations and ITEM 12 Brokerage Practices*

Disclosure and clarification of conflicts of interest that occur as a result of the relationship with our affiliated Broker Dealer Leigh Baldwin & Co., LLC and its clearing firm National Financial Services.

Currently, our Brochure may be requested by contacting Leigh Baldwin at 1-800-659-8044 or [leigh@leighbaldwin.com](mailto:leigh@leighbaldwin.com). Our Brochure is also available on our website [www.leighbaldwin.com](http://www.leighbaldwin.com), also free of charge.

Additional information about Leigh Baldwin & Co., LLC is also available via the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website also provides information about any persons affiliated with Leigh Baldwin & Co., LLC who are registered, or are required to be registered, as investment adviser representatives of Leigh Baldwin & Co., LLC.

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Brochure Supplement(s)

## Item 4 – Advisory Business

Leigh Baldwin & Co., LLC (LBC) is an SEC Registered RIA as well as a FINRA registered Broker Dealer. We have been registered with the SEC as an RIA since June of 2008, and prior to that as New York State RIA since May of 2000. We have been registered as a FINRA Broker Dealer since August of 1995. The firm is owned by Mr. Leigh D. Baldwin and Leigh Baldwin & Co., Inc, with Leigh D. Baldwin being the beneficial owner of the corporation.

Investment Advisors of Leigh Baldwin & Co., LLC may act as a solicitor for other approved SEC registered RIA's, as we allow properly registered advisors to solicit business on behalf of these other RIA Firms. This referral arrangement with an outside RIA allows our advisor to be compensated by way of a solicitor fee from that company based on assets under management. Please refer to Item 5 on Compensation. The client signs their management agreement and receives both our ADV as well as their ADV; the outside investment manager makes all investment decisions on behalf of the client under the terms and conditions in their management agreements.

Investment Advisors of Leigh Baldwin & Co., LLC manage discretionary account portfolios based upon the client's representations as to their financial capabilities and risk strategies (aggressive, moderate, or conservative or some combination of these tolerances). They recommend, buy, sell, and monitor investments with the aim of creating diversified portfolios, with positions held for a combination of objectives. At times there may be positions that are held short-term or traded. After discovery meetings, and periodic reviews, trading for discretionary accounts is usually done without further consultation.

We do not prepare or issue special reports, analyses, charts, graphs, formulas, or other devices which clients may use to evaluate securities not included in any services described above. We do not furnish advice to clients on any matters outside securities on other than an incidental basis, nor do we furnish investment advice in any manner not described above.

**FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE):** We view financial planning as an important aspect of the advisor/client relationship and access to financial planning software is typically provided to advisory clients of the firm (as part of the on-going fees). We may also be engaged to provide financial planning and/or consulting services (including investment and non-investment related matters, estate planning, insurance planning, etc.) on a stand-alone separate fee basis. The planning and consulting fees are negotiable, but generally start at \$4,000 annually for a stand-alone comprehensive financial plan. An advisor may provide financial planning services on an hourly rate basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s). Prior to engaging the advisor to provide planning or consulting services, clients are generally required to enter into a Financial Planning and Consulting Agreement with the advisor setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to commencing services. If requested by the client, the advisor may recommend the services of other professionals for implementation purposes, including certain representatives of LBC in their individual capacities as dually registered representatives and/or in their capacities as licensed insurance agents. The client is under no obligation to engage the services of any such recommended professionals. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation. Please Note: If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. Please Also Note: It remains the

client's responsibility to promptly notify LBC if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising previous recommendations and/or services.

THE FIDELITY MANAGED ACCOUNT XCHANGE (FMAX)- This program allows your IAR to provide you advisory services by using a third-party advisory service. Depending on the advisory program selected, the day-to-day management of the advisory account may be performed by the IAR, a third-party manager, or a combination of the two. This is a tri-party investment advisory platform and is sponsored by Fidelity Institutional Wealth Advisers, LLC ("FIWA") and the clearing custodial firm, National Financial Services, LLC (NFS). A custodian is the entity that holds your securities and other investments on behalf of LBC. The FMAX program consists of an extensive range of investment advisory services, including Separately Managed Accounts, Fund Strategist Portfolios of Mutual Funds and ETFs, Unified Managed Accounts, and an Advisor Model Management Program. Clients who select the FMAX program and one of the following programs: Separately Managed Accounts, Fund Strategist Portfolios of Mutual Funds and ETFs, Unified Managed Accounts will also receive FIWA Form ADV Part 2A, which provides greater detail regarding the program sponsor. Each of these programs has distinct fees and charges such as a program, firm and intermediary fee and are outlined in the Statement of Investment Selection (SIS) that is provided to you prior to investing as are the minimum fee amounts by program type. In certain instances, additional costs may be incurred such as an asset-based surcharge for mutual funds that are deemed by the Custodian to be nonrevenue paying. Your IAR can discuss the features of each program with you so that you may determine your preferred cost option that best suits your investment style.

The FMAX program charges a wrap fee based on a percentage of the assets in a program account. A wrap fee is a bundled fee for services such as investment advice, including portfolio management, research, custodial services, reporting and trading and execution. A wrap fee is not based directly on the amount of transactions in a client's account but rather the fee is calculated based on the asset value of the Client's account. Accordingly, if there is little or no trading activity in the account, it is possible that a Client may pay more in advisory fees than he or she would have in commission charges if the account was a brokerage account, depending upon the number of trades that occur in an account from year to year. Each Program generally includes investment management, custody, reporting, performance-monitoring, and trade execution services. LBC acts as an intermediary to the FIWA program.

Fees paid to the Third-Party Manager generally range from .25% to .50% and are applied as a weighted average based on each sleeve's allocation relative to the total portfolio. Because of the advisors FMAX offering's structure that offers Clients the ability to bundle multiple model portfolios and investment strategies together in one account, the Client could pay more for an investment strategy in this program. This means that they may pay more for this program than they would otherwise pay for the strategy in one of LBC's other fee programs. LBC retains .01%-.03% of all AUM on this FIWA platform in addition to any other fees discussed in this brochure.

As of 1.17.2023, we manage \$179,985,619.82 in discretionary assets. We do not manage accounts on a non-discretionary basis.

## Item 5 – Fees and Compensation

We offer 4 types of managed programs:

**Traditional LBCM Managed Account:** Compensation for advisory services is a flat percentage based on assets under management computed using the closing account balance on the last business day of the previous quarter. Maximum Fees in a traditional managed account are as follows; all fees are subject to negotiation. Total ticket charges (commissions and service fees) and other fees may also apply, see item 12 brokerage practices.

Value of Managed Assets	Annual Fee
\$0 to \$250,000	1.55%
\$250,001 to \$500,000	1.50%
\$500,001 to \$1,000,000	1.25%
Over \$1,000,001	1.00%

Management fees will be deducted or billed quarterly four times per year.

**Hybrid LBCM Accounts:** In our legacy negotiated hybrid models, stock commissions and other fees may be used in conjunction with a management fee. Management fees would not be charged on the value of these positions that have incurred commissions. Typically, management fees in this type of arrangement are assessed on Mutual Fund positions. Accounts are billed on the same schedule as Traditional LBCM Managed Accounts.

**Tiered Fee Accounts through Fidelity Managed Account Xchange (FMAX):** Available as an addendum to our traditional management agreement. The client's management fee will be billed monthly according to the Statement of Investment Selection (SIS) through the FMAX program. The fee will be tiered according to AUM, this means that as your assets exceed a certain level, subsequent assets over that level will be charged a lower annual percentage rate, but assets below that level will continue to be charged the original annual percentage rate. The fee is calculated based on the average daily net asset value of the account, billed monthly in advance. FMAX is structured by Fidelity Institutional Wealth Advisor LLC (FIWA) as a wrap program that bundles investment advice, transaction services, custody and other administrative expenses for a fee disclosed in the SIS which ranges from .10% to .22%. LBC, as an intermediary to this program, may charge additional fees for services it performs in addition to the program fee (see Section 5, page 8 for a description of these possible fees; if part of this program, please refer to FIWA Form ADV "Other Issues Related to Fees") FIWA structures the wrap account, LBC may utilize this as part of their managed program as the advisor intermediary.

Value of Managed Assets	Max Annual Tiered Fee Schedule
\$0 to \$250,000	1.55%
\$250,001 to \$500,000	1.50%
\$500,001 to \$1,000,000	1.25%
Over \$1,000,000	1.0%

Minimum annual fee is per program:

Advisor Model Management (AMM)	\$75
Fund Strategist Portfolios (FSP)	\$150
Separately Managed Accounts (SMA)	\$150
Unified Managed Accounts (UMA)	\$350

In FSP, SMA, and UMA models an outside investment manager will be paid, and this will not be at an additional cost to the client over their agreed upon management fee subject to the minimums and maximums covered above.

**Dollar Investment Club (Folio Investing):** Compensation for advisory services is a flat percentage based on assets under management computed using the closing account balance on the last business day of the previous quarter. Maximum Fees in a DINC managed account are as follows; all fees are subject to negotiation. Trades not done as part of a block will cost the client \$3.95 for market orders and limit orders. There is a minimum annual fee of \$25 per account to be in this program and IRAs will be charged \$30 per year and there is a charge for paper statements.

Value of Managed Assets	Annual Fee
\$0 to \$499,999	.95%
Over \$500,000	.75%

All four types of managed programs described above may utilize fee structures that differ in the following ways:

**Non-Wrap Fee Programs** (Traditional, Hybrid and DINC)

Non-wrap fee programs assess trade execution costs that are in addition to the investment advisory fees. We charge an investment advisory fee for our advisory services and other fees are charged for each transaction (purchase, sale, or exchange.) For purposes of clarification,

commissions and/ or service fees are considered one and the same and are often referred to as “ticket charges”. Leigh Baldwin & Co., LLC has a conflict of interest in offering non-wrap accounts custodied through National Financial Services due to the receipt of additional transaction-based ticket charge revenue received by us in our capacity as a broker-dealer. Continue to review this section for more details on fees.

#### **Integrated Wrap Fee Programs (FMAX- offered through FIWA)**

A wrap fee program is defined as an advisory program in which a client pays a single, specified fee for portfolio management services and trade execution. FMAX offered through FIWA is structured as a wrap program, and LBC acts as an intermediary to offer this account to the client. We receive a portion of the investment advisory fee you pay when you participate in this program. Generally, wrap fee accounts are less expensive for actively traded accounts. For accounts with little or no trading activity, a wrap fee program may not be suitable because the wrap fee could be higher than fees in a traditional brokerage or non-wrap fee advisory account where you pay a fee for advisory services plus a commission or transaction charges for each transaction in the account. Clients utilizing an account on the FMAX platform will receive FIWA’s Form ADV that covers the WRAP relationship they provide. As an intermediary to the FMAX program, LBC will charge accounts for IRA yearly fees, paper statement and confirmation fees, combined commissions and service fees on more than 75 trades per calendar year if in the Advisor Model Management FMAX program (based on the program).

You should evaluate the total cost for participating in a particular advisory program in consultation with your IAR.

For Managed Accounts that are custodied at our Broker Dealers clearing firm, National Financial Services., LLC, the management agreement between the client and Leigh Baldwin & Co., LLC will be on file that allows a fee debit from the clients account at the beginning of the quarter for the following quarter. The client has the choice to have these fees deducted from an account owned by the client other than the managed account, as long as this agreement is in writing and included with the management agreement on file. If the managed account is held elsewhere and our Broker Dealer is not the Broker Dealer of record on the account, we will bill for fees quarterly due within 30 days from billing date.

In addition to the asset-based fees, Client assets invested in some mutual fund shares will be subject to other fees and expenses that are described in the individual Fund's prospectuses. These fees and expenses are internally to the mutual funds return by that mutual fund company and are ultimately borne by the Client as a Fund shareholder. These expenses include investment advisory, administration, distribution, transfer agent, custodial, legal, audit and other customary fees and expenses related to investments in mutual funds, and may include payments to Leigh Baldwin & Co., LLC and its representatives. This practice may present a conflict of interest and gives Leigh Baldwin & Co., LLC and its supervised persons an incentive to recommend investment products based on additional compensation received, rather than on the clients’ needs.

Pertaining to mutual funds, typically the lowest share cost share class *available* will be purchased for, or held in, managed accounts in this program. Certain lower cost share classes may be unavailable due to purchase parameters including but not limited to tax qualification of the account or purchase minimums. A 12b-1 payment may be paid to the firm. Accounts that are properly documented as managed accounts will have this 12b-1 payment rebated to their accounts automatically. Accounts that have not been



included in this 12b-1 rebate program will have their 12b-1 payment that is made to the firm evaluated quarterly for rebate. This will be disclosed to the client verbally. Clients have the option to purchase these investment products that we recommend through other brokers or agents that are not affiliated with Leigh Baldwin & Co., LLC. If A shares are purchased outside of a fee-based platform, the client may be subject to a front end sales charge which would not be imposed in a managed account.

Additionally, there may be trade clearing charges assessed on each trade; the clearing firm may assess a fee on each trade, and additionally the Broker Dealer Leigh Baldwin & Co., LLC would pass this fee plus an operating fee through to the investment advisor of record. Your investment advisor has discretion if they want to pass any or all of this fee onto the client through either a **commission and/or service fee** attributable to each trade. There may be additional trade related fees associated with each trade that may include prospectus fees, regulatory fees, confirmation fees and these may be charged directly to you and disclosed on the trade confirm or charged to the firm or your IAR directly. Your representative may or may not cover the fees associated with the trading costs. If the IAR does not pay for such costs, you will incur an additional cost each time your IAR recommends the purchase or sale of a security by means of an extra fee charged per trade. This will increase the total costs in your account. If your IAR elects to pay transaction charges, while you will not pay such costs, your IAR is incentivized to either not recommend transactions, to avoid having to pay such transaction costs, or may recommend investments which have lower transaction costs, but which may be more expensive to you. Please refer to Section 12 for additional details on brokerage practices and potential conflicts of interest. There may also be fees associated with transfer taxes, exchange fees mandated by the Securities Exchange Act of 1934, IRA account fees and any other charges imposed by law regarding on transactions in a clients managed account. Please refer to Item 12 that covers Brokerage Services.

Leigh Baldwin & Co., LLC may also receive a portion of other various charges that may be charged in your account such as Margin Interest, Paper Document fee, Annual Custody fee, and TOA delivery fee.

Management fees may be prorated for each capital contribution and withdrawal made during the applicable calendar quarter. Accounts initiated or terminated during a calendar quarter may be charged immediately a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. Withdrawals in excess of 10% of the account value will be reviewed for potential fee credit.

Item 12 further describes the factors that Leigh Baldwin & Co., LLC considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

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

Leigh Baldwin & Co., LLC does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

## **Item 7 – Types of Clients**

Leigh Baldwin & Co., LLC provides portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, Taft-Hartley plans, charitable institutions, foundations, endowments, municipalities, registered mutual funds and trust programs.

We do impose a minimum account size aggregate of \$50,000 to be in the LBCM Managed Account Program unless otherwise permitted by upper management.

For accounts that are referred to outside SEC registered RIA's, there is no minimum other than those imposed by those third-party RIA's and which is outlined in their own ADV's.

In some cases, we may elect not to take on a client because we do not feel we are best suited to meet their investment needs. Also, we may end a client relationship if we feel we can no longer meet their investment needs. We try to accommodate a wide range of custodians; however, we may refuse a client who does not use a suggested/recommended custodian.

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

Leigh Baldwin & Co., LLC's investment analysis includes Fundamental and Technical Analysis. Fundamental Analysis is rooted in mathematical and objective information. Since this type of analysis is heavily based on publicly available information, risks may lay in the quality, publicity and truthfulness of the data provided. Technical Analysis relies on charting patterns in stocks, following volume and price and may result in a short-term purchase rather than a long-term hold due to a change in the charting. Technical trading eliminates external drivers, such as fundamental trading, and focuses on past prices and volume to calculate current and future patterns. By using a combination of these two strategies, the goal of the IAR is to have the discipline to buy fundamentally positive stocks, when the charting works in their favor.

We will use a combination of long- and short-term purchases for portfolio management. Most securities are bought with expectations that they will be held for over one year as a long-term purchase, but market conditions may warrant a sale sooner than that holding time frame and the securities may be liquidated any time after purchase.

Dollar Investment Club is our branded systematic investment plan identified ultimately as a systematic investment plan which combines exchange traded funds, mutual funds and individual equities designed to be purchased at regular intervals. Leigh Baldwin is the sole investment advisor on these strategies. You can find more information at [www.dollarinvestmentclub.com](http://www.dollarinvestmentclub.com). Though this has been implemented with the target to be focused on systematic investing, the strategies and investment policies imposed are also suitable for one-time purchases of varying amounts.

Investing in securities involves risk of loss that clients should be prepared to bear.

We may use options as part of the investment program, and certain options strategies may bear more risk than others. If the investment account warrants a call writing strategy on its portfolio securities it limits its opportunity to profit. If the investment account warrants a purchase of a put option it may lose the entire premium paid for a put option. You would expect to generate premiums from a sale of call

options. These premiums typically will result in short-term capital gains for federal income tax purposes. In addition, stocks that are hedged with put options may not be eligible for long term capital gains. This investment strategy may not be designed for investors seeking a tax efficient investment and may or may not be used in your specific account.

## **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 Leigh Baldwin & Co., LLC or the integrity of Leigh Baldwin & Co., LLC's management. Leigh Baldwin & Co., LLC has as a broker dealer does have disciplinary history, though none of which we would deem material to the evaluation of our integrity as an Investment Advisor or would reflect negatively on our Management. For purposes of disclosure, we would like to make you aware of these circumstances so that you can evaluate for yourself.

FINRA alleged that during their review period that we failed to timely report order events (ROES) to the Order Audit Trail Systems (OATS) therefore OATS was unable to link the trades to their reporting system due to inaccurate, incomplete or improperly formatted data.

Without admitting or denying the findings, in December of 2010 we signed an Acceptance, Waiver and Consent with FINRA, and we were fined \$10,000, which is the minimum fine that could be imposed for such occurrence. By transmitting new reports and subsequent reports, the timestamp occurred prior to the actual receipt of the order, thereby preventing the OATS System from creating an accurate time sequenced record from the receipt of order to the resolution. Our firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with applicable laws, regulations and rules relating to OATS Reporting. The transactions in question were cleared on a fully disclosed basis through National Financial Services, and through contract, they were responsible to report to OATS on our behalf. A system malfunction on their behalf was responsible for the improperly formatted reports that caused the mismatched time stamp sequence. FINRA's elucidation is that as the Broker Dealer we should have had the proper safe guards in place to catch these inconsistencies and fix them.

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

Leigh Baldwin & Co., LLC (LBC) is dually registered as both a broker-dealer and as a registered investment adviser. Leigh D. Baldwin is president, owner and a registered representative of Leigh Baldwin & Co. LLC. Clients are serviced through the broker dealer and are sold other investment products that do not fall under the LBCM Managed Account Program.

Most of our IARs are registered with us as a registered representative, in which they may perform brokerage services for you and earn revenue from transaction-based commissions. Each IAR is an independent contractor with LBC. There is a conflict of interest when an IAR is able to choose between offering a client fee-based programs and services (advisory relationship) and/or commission-based products and services (brokerage relationship). There is a difference in how LBC and your IAR are compensated for advisory accounts and brokerage accounts or variable insurance products. While a client

pays a fee to their IAR on an advisory account based on the value of account assets, in their capacities as registered representatives they can offer securities and receive a commission, markup, or markdown or other revenue on each transaction.

Leigh Baldwin's registration as a broker-dealer is material to our advisory business because advisory accounts are custodied with National Financial Services (unless otherwise requested by the client,) a third-party custodian, where we act in our capacity as an introducing broker-dealer. This results in additional forms of compensation to LBC (see Item 12 – Brokerage Practices)

Leigh D. Baldwin is also a small minority owner and investor in another FINRA Broker Dealer, Midwestern Securities Trading Company, LLC. Leigh's roles will be relating to business development, a director but not part of active management nor does he solicit business on their behalf.

Leigh D. Baldwin is also a licensed insurance agent and may guide clients on what insurance products best suit their needs, and subsequently sell fixed annuities, life insurance, health insurance and/or long term care insurance to these clients

An advisor who would participate in the active managing of client accounts or referring (soliciting) accounts to outside RIA's may be registered with our Broker Dealer as a registered representative and also maintain the proper licenses or have received the proper waiver of licenses to act as an IA through our RIA.

Our Advisors may engage in activities other than investment advice. This may take our time away from you and present certain conflicts that may not be in your best interest so it is important for you to understand and inquire about your Advisor's activities outside of providing you investment advice.

We have registered representatives of our FINRA Broker Dealer firm that are owners, principals or dually registered IA's of their own or a third party Registered Investment Advisor. We do not participate in the management of these RIA's, though we may share a registered person. The client signs a management agreement with these RIA's and they are provided with their ADV's. These accounts may be custodied at National Financial Services with us as Broker Dealer of record on the account. This is not a requirement of our registered representatives, and they are free to have their IA accounts custodied at their discretion.

Our investment advisors may refer business to SEC Registered RIA's. The client signs a management agreement with the respective RIA's and they are provided with our ADV as well as their own ADV. Neither the investment advisor nor Leigh Baldwin & Co., LLC provides investment advice to clients. Please refer to Item 14 for compensation arrangements.

Leigh Baldwin & Co., LLC may use the research of third-party RIA's firms over the course of choosing investments in clients' accounts in the Program. We will pay these firms an agreed upon amount for research services only.

## **Item 11 – Code of Ethics**

We recommend to client's securities in which the portfolio manager may have some financial interest in. However, orders for clients are required to be placed ahead of Leigh Baldwin & Co.'s related persons. We

do recommend to clients or prospective clients the purchase of a security in which employees may have a position or interest.

Our Code of Ethics sets forth standards of business conduct required of all employees and independent contractors. Leigh Baldwin & Co., LLC and its registered representatives will always act in the client's best interest and the client's interest will always be placed above that of the Company's.

This is a summary, and we will provide a copy of our complete Code of Ethics to any client or prospective client upon request. *You may request a copy by contacting Leigh D. Baldwin at 315-655-2964.*

Leigh Baldwin & Co., LLC 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. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, 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 Leigh Baldwin & Co., LLC must acknowledge the terms of the Code of Ethics annually, or as amended.

Leigh Baldwin & Co., LLC anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Leigh Baldwin & Co., LLC has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Leigh Baldwin & Co., LLC, its affiliates and/or clients, directly or indirectly, have a position of interest. Leigh Baldwin & Co., LLC's employees and persons associated with Leigh Baldwin & Co., LLC are required to follow Leigh Baldwin & Co., LLC's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Leigh Baldwin & Co., LLC and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Leigh Baldwin & Co., LLC's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities, and interests of the employees of Leigh Baldwin & Co., LLC will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of Leigh Baldwin & Co., LLC's clients. In addition, the Code monitors and may restrict trading near client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Leigh Baldwin & Co., LLC, and its clients.

## **Item 12 – Brokerage Practices**

We have no soft dollar arrangements.

Leigh Baldwin & Co., LLC is dually registered as a Broker Dealer and a Registered Investment Advisory firm. By using our Broker Dealer to execute trades, along with our registered representatives to place these trades, we can monitor all aspects of best execution including, but not limited to, measuring the pricing

on executions, controlling trade errors and eliminating any soft dollar conflicts. We also have unique and wide-ranging client servicing capabilities to our advantage. With our relationship as both Broker-Dealer and RIA, conflicts of interest can present themselves. For example, any portion of a ticket fee (commission and service fees) charged would be paid directly to the representative of record on the account, the broker dealer Leigh Baldwin & Co., LLC or both. This could present a conflict of interest as the representative would be receiving both a management fee and additional fees that are charged to the trade. The Broker Dealer can and will receive a portion of all trade related charges disclosed on the trade confirm that are above our cost to the clearing firm to clear the trade. See Item 5 pertaining to Fees and Compensation.

National Financial Services (NFS) is the clearing firm for LBC's brokerage business and is a custodial option for its advisory accounts. As part of this business relationship, LBC pays NFS various execution and clearing charges and fees in connection with NFS maintaining custody of LBC's clients' accounts. NFS's execution and clearing charges are included in the commissions, transaction charges and service fees or other fees that LBC charges its clients. NFS pays LBC the portion of commissions and transactions fees that exceed its execution and clearing charges. LBC may share this revenue received from NFS for investment advisory accounts with our IARs or maintain that revenue for the firm.

NFS charges Leigh Baldwin & Co., LLC for certain services for your account to be custodied with them, including but not limited to clearing transactions, outgoing transfers, wiring of funds, paper statements and confirms, margin extensions, margin interest, ticket charges, asset based fees, and IRA custodial maintenance and termination of accounts. LBC has the discretion to set its own charge for its services, which are designed to cover its costs of doing business (including overhead and other costs) as well as provide a profit to LBC. LBC charges clients more for certain services than it pays NFS, which is sometimes called a "markup," and the markups vary by product and the type of service, and LBC keeps the difference of this charge. This practice creates a conflict of interest for us since we have a financial incentive to recommend NFS since we receive economic benefit for the services we provide.

#### Additional Conflicts of Interest

There may be a material conflict of interest when a brokerage account converts to an advisory account, which is taking a transaction-based commission relationship to an asset-based fee relationship. The IAR has a duty to fully determine whether the transition to one relationship considers costs, but also weighs the uniquely different levels of service. In an advisory relationship these can include a fiduciary role, financial planning and software availability, discretionary versus self-directed, and levels of service. LBC has policies and procedures to review all investment relationship types, and these are approved based on the alternatives available at a given time.

LBC is both a registered SEC RIA and Broker-Dealer with access to many types of investment programs. Our IAR's have several choices of platforms to best meet the needs of their clients. We have clearing multiple agreements, and our reps can use other third-party clearing firms, based on both firms' approvals. Within current platforms, an IAR can choose to use our traditional or hybrid LBCM managed accounts, tiered fee accounts with access to other managers, or a combination of the two. They can also perform financial planning for a fee only. A conflict of interest could arise when an IAR does not offer the platform that best suits the goals and requirements of the client. In order to mitigate this potential conflict, we are consistently educating our IAR's and reviewing client accounts with respect to costs, performance, service, and goal attainment.

### **Item 13 – Review of Accounts**

Managed accounts are generally reviewed at least quarterly, based upon account positions and activity. In addition, client positions (individual securities, ETFs, Mutual Funds, etc.) are analyzed regularly to mitigate the risk in a portfolio and to determine the potential growth or income of the position. We utilize internal and external research to analyze positions with our core investment philosophy in mind that earnings and profits are the ultimate driver of total returns and future growth. If a client has a question, request, deposits or withdrawals funds, a relevant review of his or her portfolio is triggered. All portfolios are reviewed by Leigh D. Baldwin or Stefanie Dorozynski or a designated principal within the firm.

At the very least quarterly statements are sent from the brokerage firm to clients. Leigh Baldwin & Co., LLC does not prepare these reports. We may send clients an additional report of performance quarterly. Please refer to Item 15 concerning custody of client accounts.

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

Pursuant to a written referral agreement between Leigh Baldwin & Co., LLC and unaffiliated broker-dealers, investment advisors and other parties or affiliated investment advisors of Leigh Baldwin & Co., LLC (collectively, “Solicitors”), Solicitors agree to refer prospective clients to us to participate in our investment management programs. Leigh Baldwin & Co., LLC, under the written referral agreement between Solicitor and/or Advisor, pays Solicitor an annual fee for each client accepted by us for participation in our programs. This fee varies by client and is disclosed to the client on the LBCM Program Account Agreement, which is presented at the time a client enters into the Client Services Agreement with Leigh Baldwin & Co., LLC. This fee compensates Solicitor for referring clients to us, assisting in the enrollment of clients for participation in our programs, and facilitating communication between us and clients. The total advisory fee charged to the client by Leigh Baldwin & Co., LLC (as set forth in Item 5) will include the referral fee and does not increase as a result of a referral arrangement. The client would not be charged any lesser of an advisory fee if there was not a referral agreement in place.

Leigh Baldwin & Co., LLC may be compensated as a solicitor from outside Registered RIA’s previously discussed in Item 10. These RIA’s will compensate our registered representatives with a certain percentage of the total fee charged to the client. This amount is agreed upon in the Solicitors Agreement signed by the registered representative and the outside RIA as listed previously. This income generated from the management fees is paid out to each registered representative at their respective payout. The amount remitted in solicitor’s fee will vary by account agreement. It will typically range annually anywhere from .20% to 2.00% based on allowable assets under management for the billing period. This amount is based on the respective RIA’s fee schedule.

## **Item 15 – Custody**

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client’s investment assets. Leigh Baldwin & Co., LLC urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Our custody is deemed solely for the purposes to deduct advisory fees, and does not imply in any way that Leigh Baldwin & Co., LLC has custody of client securities or any more authority than that for trading authority or the authority to deduct fees for the purposes of an investment advisory fee.

## **Item 16 – Investment Discretion**

Leigh Baldwin & Co., LLC would receive discretionary authority from the client at the outset of an advisory relationship to select the identity and quantity of securities 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 client account.

Investment discretionary authority is granted to Leigh Baldwin & Co., LLC initially upon signing the management agreement, and is effective from the date of the agreement to the date in which either party terminates that agreement.

When selecting securities and determining the investment, Leigh Baldwin & Co., LLC observes the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies, Leigh Baldwin & Co., LLC’s authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions must be provided to Leigh Baldwin & Co., LLC. Leigh Baldwin & Co., LLC reserves the right to refuse the account based on restrictions implied as they may hamper the intent of the program and its investment decisions as covered in Item 4.

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

As a matter of firm policy and practice, Leigh Baldwin & Co., LLC 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. Leigh Baldwin & Co., LLC may provide advice to clients regarding the clients’ voting of proxies.



## **Item 18 – Financial Information**

Registered investment advisors are required in this Item to provide you with certain financial information or disclosures about Leigh Baldwin & Co., LLC's financial condition. Leigh Baldwin & Co., LLC has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.