

## Item 1 – Cover Page

# Abraham & Co., Inc.

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CRD# 299085

## Client Information Brochure ADV Part 2A

February 2023

***This document is provided for information purposes. It does not require your signature***

*This Client Information Brochure provides information about the qualifications and business practices of Abraham & Co., Inc. If you have any questions about the contents of this Brochure, please contact us at: (253) 851-7486 or by email at: [abeco@abrahamco.com](mailto:abeco@abrahamco.com) 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.*

*Abraham & Co. Inc. is a state Registered Investment Adviser currently registered in the states of Washington, California, Idaho, Illinois, Texas and Arizona. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser is intended to provide you with information about which you determine to hire or retain an investment adviser. If you have any questions or concerns about such information it is incumbent upon you to seek out or request additional information or clarification.*

*Additional information about Abraham & Co., Inc. and its representatives is also available on the Company's website: [www.abrahamco.com](http://www.abrahamco.com) or the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Information about Abraham & Co. investment advisers and their securities industry status may also be found on the FINRA website: <https://brokercheck.finra.org>.*

## Item 2 – Material Changes

On July 28, 2010, the United States Securities and Exchange Commission (“SEC”) published “Amendments to Form ADV” which amends the disclosure documents provided to clients as required by previous SEC Rules. This Brochure dated June 28, 2022 was prepared according to, and complies with, these SEC rules. This updated Brochure replaces all previous versions of Abraham & Co.’s Form ADV.

This Item 2 contains only specific *material changes* that are made to the Brochure and provides clients with a summary of such changes. We also reference the date of our last annual update of our Brochure *OR* the dates of the most recent Forms ADV (See above) supplied to Abraham & Co. clients at the time their accounts were opened. (*Private Asset Managed Accounts* only).

We will further provide you with a new Brochure, as necessary based on changes or new information, at any time, without charge.

There have been no material changes in this brochure from the last annual updating amendment of Abraham & Co., Inc. on March 21, 2022. Material changes relate Abraham & Co., Inc.’s policies, practices or conflicts of interests.

Our current Brochure may also be found on the Abraham & Co. website: <https://abrahamco.com/disclosures/> or requested by contacting Kye Abraham, Abraham & Co.’s *Chief Compliance Officer* at (253) 851-7486 or by email at: [invest@abrahamco.com](mailto:invest@abrahamco.com)

Additional information about Abraham & Co., Inc. is also available via the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any persons affiliated with Abraham & Co. Inc. who are registered, or are required to be registered, as *Investment Adviser Representatives (“IAR”)* of Abraham & Co., Inc.

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## Item 4 – Advisory Business

Abraham & Co., Inc. (“*Abraham*” or “*Adviser*” or the “*Firm*”) including its wholly-owned subsidiary, Abraham Securities Corporation has been in business as a full-service FINRA member firm since 1983 and as a Registered Investment Adviser since 2000. The *Firm* is managed and owned solely by its founder, Kye Abraham.

**Private Asset Account Management (Directly Managed and Held-Away Accounts):** The *Firm* offers ongoing, discretionary, private asset management based on the individual goals, objectives, time horizon, and risk tolerance provided by each client. Private asset management services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Investor Profile
- Asset selection
- Regular portfolio monitoring

The Firm evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. Risk tolerance levels are documented in the *Investment Profile*, which is an exhibit within the *Private Asset Management Agreement (“PAMA”)* and the separate *Investment Advisory Agreement for Held Away Accounts, (“IAA”)* provided to each client. The Firm seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its clients first, and consideration of the Firm's economic, investment or other financial interests second. To meet its fiduciary obligations, the Firm attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios over others. Accordingly, the Firm's policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is the Firm's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent, that might have a limited supply, among its clients on a fair and equitable basis over time.

An *Investment Profile* must be provided to, and filled out by, clients prior to any investment activity. When selecting securities and determining portfolio structure, Abraham & Co. observes the investment and risk attributes, limitations, and restrictions, of the clients it advises. Additional investment history, guidelines and restrictions are set forth in the new account forms provided by the Firm's Custodian or clearing Broker Dealer. If clients desire additional restrictions or guidelines for the management of their account(s) which are not covered by the forms/agreements mentioned above, they must be provided to Abraham in writing, in advance, by the client and approved by Abraham.

**Wrap Fee Program:** The Firm acts as portfolio manager for, and sponsor of, a wrap fee program which is an investment program wherein the client pays one stated fee that includes management fees, transaction (commissions) costs, and certain other administrative fees. Wrap fee accounts not subjected to industry typical transaction costs such as commissions and other fees. Clients interested in participating in the Firm's wrap fee program should see the Firm's *Wrap Fee Program Brochure*. The Firm's manages the investments (accounts) in the wrap fee program, but does not manage those accounts any differently than it would manage non-wrap fee accounts. The Firm receives the same advisory fee set forth in Item 5 below as a management fee under both wrap and non-wrap fee programs. Please also see Item 12 of this brochure.

As of February 1, 2023, the Firm manages approximately \$87 million in discretionary assets and \$200,000 in non-discretionary assets. In limited cases the firm does manage non-discretionary accounts as an accommodation to clients (usually client-managed accounts brought in from other firms).

**Financial Planning Services:** The Firm provides fee-based financial planning services to individuals including family trusts and closely held corporations. These services do not include private asset (account) management and are subject to the terms of the Firm's separate *Financial Planning Services Agreement*. Fees for these services can vary depending on the detail of planning involved and the term of the arrangement [length of time]. Planning services are conducted on a contract basis [not hourly] for a minimum term of one year at the rate of \$300 per month (\$3,600 annual contract) for a dynamic, frequently updated, online plan or a more basic initial portfolio evaluation and retirement income plan for a one-time charge of \$300. Planning fees may go higher for a more detailed and complex level of planning. Client needs for these services [detail of planning] can vary widely.

**Consulting Services:** Abraham & Co. occasionally provides business consulting, management, or administrative services to affiliates and others for a fee. These services may or may not include investment advice. Fees for these services are \$250 - \$500 per hour depending on complexity. Fees are billed monthly and paid via ACH.

## Item 5 – Fees and Compensation

*Abraham* provides clients with discretionary investment advisory services including investment selection, reinvestment, portfolio management and periodic reviews of the assets contained in the client's account(s).

### Account Advisory Fees - Annual Fees for All Managed Accounts (Maximum-Not to Exceed):

Billing Category	Account Value (Billed Monthly or Quarterly)	Annual Percentage of Advisory Account Assets (Cash & Securities)
Tier 1	\$50,000-250,000	1.50%
Tier 2	\$250,000-\$500,000	1.25%
Tier 3	\$500,000-\$1,000,000	1.00%
Tier 4	Over \$1 million	<i>(Negotiated Rate)</i>
	Pre-Negotiated Fee	<i>(Approved by Adviser in Advance)</i>

An Account Advisory Fee ("*Account Management Fee*") will be billed to clients directly by *Abraham* or the Firm's designated third-party service provider, or deducted directly from client accounts, with prior client authorization, by the *Custodian(s)* holding the account. Advisory fees are payable on a monthly or quarterly basis. Fees are calculated based upon the market value of securities and cash balances (including margin debits) on the average daily balance of the previous month or quarter. Each payment will be due and payable during the first month following the month (if billed monthly) or calendar quarter (if billed quarterly) to which it relates. Cash and money market investments will be included in the determination of the account value unless otherwise agreed. The fee for the period in which the account is established will be prorated based on the number of days remaining in the month/quarter after establishment of the account. *Abraham* is authorized to instruct the *Custodian* to deduct from clients' accounts any fee owed to *Abraham* pursuant to the terms of the Firm's client agreements (*PAMA* or *IAA-Held away Accounts*). *[This method of deducting fees directly from client accounts may not be permitted in Held Away accounts]*. Lower fees for comparable services may be available from other sources. In certain cases, other advisory firms and *Investment Adviser Representatives* who are dually licensed with *Abraham* and other firms may charge fees that are higher or lower than those listed above. Clients are advised to carefully read the fee structure contained in the client agreements).

**Abraham & Co.'s fees are exclusive of brokerage commissions, transaction fees, and other related costs** and expenses (described above) which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as commissions, custodial fees, alternative investment holding fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund transfer fees, margin interest, securities and account transfer fees, currency exchange differentials, foreign exchange fees and taxes, and other fees on brokerage and advisory accounts transactions. Mutual funds, exchange-traded funds, REITS, UITs, and other "alternative investments," charge internal management fees which are disclosed in their prospectus. Such charges, including mutual fund sales charges are exclusive of, and in addition to, *Abraham & Co.'s* advisory fees. *Abraham* does not receive, or mark-up, any of these fees, and costs.

**Invoices for Advisory & Financial Planning Fees:** All fees paid to *Abraham* will be reported to clients on a statement of advisory fees ("Invoice") which will be prepared and supplied to clients by *Abraham* (including its designated service providers), its clearing agent or custodian, *TD Ameritrade Institutional*, or any other qualified financial institution selected as the account custodian by *Abraham*. The Invoice will show the account advisory fee, the formula used to calculate the fee, the fee calculation itself, the time period covered by the fee, and the amount of assets under management on which the fee was based. The Invoice will always include the name of the custodian(s) where the client account is held. Clients are encouraged to compare this information with the fees listed in the clearing agent or custodian's account statement and promptly notify *Abraham* of any discrepancies or irregularities.

**Early Termination of Advisory Agreements:** Should any client terminate the account advisory agreement(s) within twelve months from the date of inception, clients agree to compensate *Abraham* the difference between actual fees paid and the minimum fee of \$250 per account. *(See the client account agreements for specifics concerning early termination and fees)*. Transaction or processing charges incurred by, or paid to *Abraham* for clearing or custodial services are not subject to refund in the event of termination. All fees due to *Abraham* at termination will be deducted from clients' accounts before assets are delivered from the account.

**Notwithstanding the foregoing, clients may terminate their agreements within five business days of the effective date of the client agreement without payment of any fee or penalty for *Abraham & Co.'s* services.**

***Abraham* never accepts fees or compensation from mutual funds or mutual fund distributors (12b-1 fees).**

**Sale of Annuities & Insurance Products:** *Abraham* is compensated by insurance companies, not its clients, for certain insurance products such as fixed index annuities and other insurance products. Because these products pay commissions (usually non-negotiable) there is an inherent conflict of interest. *Abraham* recommends these insurance products only when we believe they serve the clients best interest. These products often provide clients with a measure of capital preservation and protection from market volatility that may not be generally available through traditional, market-based instruments. Abraham & Co. periodically reviews recommendations by its supervised persons to assess whether they are based on an objective evaluation of each client's risk profile and investment objectives rather than on the receipt of any commissions or other benefits. Abraham & Co. will disclose in advance how it or its supervised persons are compensated and will disclose conflicts-of-interest involving any advice or service provided. At no time will there be tying between business practices and/or services (a condition where a client or prospective client would be required to accept one product or service conditioned upon the selection of a second, distinctive tied product or service). No client is ever under any obligation to purchase any insurance product. Insurance products recommended by Abraham & Co.'s supervised persons may also be available from other providers on more favorable terms, and clients can purchase insurance products recommended through other unaffiliated insurance agencies.

**Negotiability-Account Management Fees:** All fees described above are negotiable based on specific circumstances provided that any reduction in fees is approved in writing by *Abraham* prior to providing such services or the incurring of any related fees in connection therewith. *Abraham* may, depending on certain circumstances, agree to waive, cover, or reimburse certain transaction or advisory fees for clients. Clients receive both investment advisory services and the execution of transactions for a single, combined annualized fee. This arrangement is known as a "wrap fee" arrangement. In these cases, it will be indicated in the client's PAMA and participating clients will be provided with Abraham's "Wrap Fee Program Brochure."

**Changes in Account Valuation:** If an account falls below the minimum "Account Value" of \$50,000, as listed above, for any reason (market fluctuations, client withdrawals, management fees and expenses, etc.) the account will continue to be billed the same percentage and levels of account management fees unless such PAMA or (client account agreement) is terminated or modified in writing by both *Abraham* and the *Client*.

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

*Abraham* does not charge any performance-based fees (fees based on a share of capital gains on, or capital appreciation of, the assets in an Advisory account).

## Item 7 – Types of Clients

*Abraham* provides, or may provide, portfolio management services to individuals and high net-worth individuals (these two groups comprise nearly all of the Firm's accounts and business focus). Other groups such as charitable institutions, foundations, endowments, private investment funds, trust programs, etc. are considered on a case-by-case basis. The account minimum is \$50,000.

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

*Abraham* uses a variety of traditional analytical methods and information sources in making investment decisions and forming investment strategies for its clients. Methods may include, but are not limited to; charting, fundamental analysis, cyclical and technical analysis. Information used to develop client investment strategies may be derived from numerous sources including, but not limited to; financial news publications, on-line investment newsletters, published research reports, investment seminars, books, corporate press releases, professional consultants, third party service providers, conference calls, interviews with corporation spokespersons/officers, annual and quarterly reports, personal inspections, etc. Investment strategies take into consideration client suitability/financial status/net worth, investment experience, investment objectives and risk tolerance.

\* Charting analysis involves the use of patterns in performance charts. Abraham & Co. uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.

\* Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

\* Technical analysis involves the analysis of past market data; primarily price and volume.

\* Cyclical analysis involves the analysis of business cycles to find favorable conditions for buying and/or selling a security.

**Risks associated with Abraham & Co.'s investment strategies and implementation** involve general market risks associated with investing. No day-trading strategies (excessive trading and high turnover of portfolio

securities) are used. ***“Investing in securities involves risk of loss that clients should be prepared to bear.”*** Client accounts, based upon specific objectives and suitability (as described above) may be structured to include one or a combination of the following strategies with their attendant risks:

### **Investment Strategies Are based on Client Risk Tolerance & Suitability:**

#### ***Conservative & Moderately Conservative - Fixed Income Strategy***

Fixed income accounts are invested exclusively in corporate and government bonds, money market instruments, bank issued certificates of deposit, bond funds (municipals, closed & open end, and fixed income ETF's) with a credit rating, or a portfolio of instruments possessing a credit rating of at least “B” (or equivalent) by SEC recognized NRSROs. *Abraham* may, depending on credit quality of the issuer, utilize instruments with equity components, such as convertible bonds or structured notes but only when there is low volatility associated with this strategy. The investment term is generally short in duration....three years or less.

#### ***Income-Oriented Strategy***

Income-oriented accounts are invested in bonds, bond funds (corporate, government, municipal, open or closed end) including convertible bonds, income oriented ETFs, preferred stocks (including convertibles), master limited partnerships (“MLPs”) traded on a recognized exchange, and dividend-paying equities. Overall equity risk, excluding MPLs, (the direct equity portion plus the indirect equity risk) is limited to 40%. The investment term is generally “mid-term” ....between three and five years. There is moderate volatility associated with this strategy and losses in value of account assets cannot be excluded.

#### ***Balanced Strategy***

Balanced accounts are invested mainly in a combination of equities, preferred or convertible preferred stock and/or bonds of mid to large cap companies, including convertible bonds, ETFs, MLPs, and the other instruments mentioned above. Volatility associated with this strategy may reflect approximately the level of volatility in the equity markets and setbacks may occur at any time. Accounts may hold up to 100% of account assets in cash, money market funds, and short-term bonds or cash-equivalent instruments. Overall equity risk (the direct equity portion plus the indirect equity risk) is limited to 60%. The investment term and objective is generally between five to ten years.

#### ***Growth-Oriented Strategy***

Growth-oriented accounts are invested mainly in ETFs, equities, (including convertible bonds and convertible equities) as mutual funds, and MLPs with domestic, foreign, as well as emerging-market focused instruments. *Abraham* may invest client funds in equity derivatives (warrants, exchange-traded options and leveraged ETFs.) Speculative, small and micro-cap equities may be included but generally limited to 10% or less of the portfolio. Volatility associated with this strategy is considerable and setbacks are inevitable. From time to time accounts may hold up to 100% in cash or money market funds (short term investments) as part of an active management strategy. Overall equity risk (the direct equity portion plus the indirect equity risk) is up to 100%. The investment term and objective is generally longer term...between five to ten years. In the event that “penny stocks”: are included in this strategy, clients will be requested to sign a disclosure form describing the higher risks and greater potential of loss of invested principal.

### **Risks of Specific Securities Utilized:**

***Equity*** investment generally refers to buying shares of stock in publicly traded companies that provide shareholders with potential of returns in the form of return for dividends and/or growth (capital gains) if the value of the stock increases. The value of equity securities fluctuates in response to specific situations for each company, industry, market conditions, and general economic environments.

***Exchange Traded Funds (ETF)*** is a pooled investment fund [similar to a mutual fund] which is traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a fund holdings subject to bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Because ETFs use “authorized participants” (APs) as agents to facilitate creations or redemptions (primary market), there is a risk that the AP decides to no longer participate for a particular ETF. However, that risk is mitigated by the fact that other APs can step in to fill the vacancy of the withdrawing AP [an ETF typically has multiple APs] and ETF transactions predominantly take place in the secondary market without need for an AP. Like other liquid securities, ETF pricing changes throughout the trading day and there can be no guarantee that an ETF is purchased at the optimal time in terms of market movements. Moreover, due to market fluctuations, ETF brokerage costs, differing demand and characteristics of underlying securities, and other factors, the price of an ETF can be lower than the aggregate market price of its cash and component individual securities (net asset value – NAV). An ETF is subject to the same market risks as those of its underlying individual securities, and also has internal expenses that can reduce investment returns.



**Mutual Funds** carry the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have internal costs that lower investment returns. The funds can be of bond (fixed income) nature or stock (equity) nature, or a mix of multiple underlying security types. Mutual funds can contain very diverse holdings of both foreign and domestic securities or combinations of both.

**Leveraged Exchange Traded Funds (ETFs)** are investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Leverage provides additional risk, as any losses sustained will constitute a greater percentage of principal than if leverage had not been employed. Additionally, if losses occur, the value of the account may fall below the lender's threshold thereby forcing the account holder to devote more assets to the account or sell assets on a shorter time frame than desired. Areas of concern for ETFs include the lack of transparency in products and increasing complexity, conflicts of interest, and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed "electronic shares" not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by governments or central banks which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

**Multi-Strategy Funds** are Mutual Funds or ETFs that engage in a variety of investment strategies. The diversification benefits help to smooth returns, reduce volatility and decrease asset-class and single-strategy risks. Strategies adopted in a multi-strategy fund may include, but are not limited to, convertible bond arbitrage, equity long/short, statistical arbitrage and merger arbitrage.

**Publicly Traded Master Limited partnerships (MLPs)** own pipelines, storage tanks, and other cash-generating infrastructure (energy, transportation, commodities) and distribute the largest portion of their income to shareholders (limited partners) in the form of distributions. They are structured differently from typical corporations and operate in specialized industries, and in some cases may use management incentive payments that encourage executives to take on more debt, which may increase the risk to investors. In the case of the oil and gas industry, because production from shale drilling typically declines faster than that of oil or gas produced from traditional wells, the returns of MLPs to investors may not be sustained over time, and investors could lose money.

**Private Placements** carry a substantial risk as they are subject to less regulation than are publicly offered securities. The market to resell these assets under applicable securities laws may be highly illiquid due to regulatory restrictions. Liquidations [if even available] are usually taken at a substantial discount to the original or underlying value or the result of substantial or total loss of the value of such assets.

**Real Estate Funds (including REITs)** face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

**Options** are contracts to purchase a security at a given price within a specific time, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a "naked" or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option writing also involves risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.

**A warrant** is similar to an option, giving the holder the right but not the obligation to buy an underlying security at a certain price, quantity, and future time. It's unlike an option in that a warrant is issued by a company, whereas an option is an instrument offered by a central exchange. The security represented in the warrant—usually share equity—is delivered by the issuing company instead of a counter-party holding the shares. Like any other type of investment, warrants also have drawbacks and risks. The leverage and gearing that warrants offer can be high, but these can also work to the investor's disadvantage. The value of the certificate can drop to zero, presenting another disadvantage to the warrant investor because, if it happens before exercised, the warrant would lose any redemption value. Finally, a warrant holder has no voting, shareholder, or dividend rights and gets no say in the functioning of the company, even though they are affected by their decisions and policies.

**Over-the-Counter (OTC) Stocks**, often referred to as penny stocks, are shares of stock in a company that trades for less than \$1.00 per share. Penny stocks that trade over the counter on the OTCBB or as pink sheets are not



regulated and thus are not forced to meet any specific compliance rules or requirements. With most penny stocks there are absolutely no financials to observe which means there is no hard data to analyze beyond what is offered by other investors. While not the case with all penny stocks, many aren't very liquid. This makes attaining competitive prices very difficult and for larger investors selling positions even more difficult. Furthermore, it makes it very easy to manipulate the price as well.

**Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## Item 9 – Disciplinary Information

In November 1987, a regulatory action was initiated against Kye Abraham and Abraham & Co. on allegations of a violation of Article III Section 1 of the NASD's Rules of Fair Practice. There were no specific claims or damages alleged. The matter is no longer pending as it resulted in a *Decision & Order of Offer of Settlement* in December 1988 wherein Kye Abraham and Abraham & Co. jointly paid a monetary fine of \$1,000. This action was initiated by the regulatory authority (NASD) and did not involve a customer complaint or loss of investor funds.

## Item 10 – Other Financial Industry Activities and Affiliations

Abraham & Co., Inc., through its wholly owned subsidiary, Abraham Securities Corporation, maintains regular brokerage accounts for clients who are not "advisory clients." Abraham's advisory clients are not directed to Abraham Securities Corp. Compensation for this activity is transaction [commission] based and completely separate from Abraham & Co.'s advisory business and the activities described in this *Brochure*. Kye Abraham is a *Registered Representative, General Principal, and Financial Operations Principal* of Abraham Securities Corporation.

Neither Abraham & Co., nor its management persons are registered as, or have pending applications to become, either a Futures Merchant Commission, Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

***Annuities & Insurance Products.*** Abraham often offers clients seeking protection from market risk and volatility, certain fixed or fixed-indexed annuity or insurance products. The *Firm* believes that these products, when structured properly, can provide certain clients, depending on suitability and financial objectives, with a level of income stability and protection [capital preservation] from market volatility that is difficult to achieve with market-based investments alone. In most circumstances, the insurance companies that sponsor these products pay substantial commissions (usually non-negotiable 5%-7%) to properly licensed *Investment Adviser Representatives of Abraham*. **These commissions are never charged to the client or deducted from the client's investment.** It is our belief, and experience, that many clients are not financially or psychologically suited for substantial market risk and volatility especially those with limited retirement assets. We believe that these products often offer a more secure way to invest client assets and secure a more reliable method of capital preservation and retirement income. These products are never included in advisory client managed portfolios and are not subject to advisory or management fees. No variable annuities (market-based securities) are ever offered.

**This activity creates a potential for a conflict-of-interest** since there is an incentive to recommend insurance products based on commissions or other benefits received from the insurance company, rather than on the client's needs. Abraham & Co. addresses this potential conflict-of-interest by requiring its supervised persons to act in the best interest of the client at all times, including when recommending these products as a licensed insurance agent. Abraham & Co. periodically reviews recommendations by its supervised persons to assess whether they are based on an objective evaluation of each client's risk profile, time horizons, and investment objectives rather than on the receipt of any commissions or other benefits. Abraham & Co. will disclose in advance how it or its supervised persons are compensated and will disclose conflicts of interest involving any advice or service provided. At no time will there be tying between business practices and/or services (a condition where a client or prospective client would be required to accept one product or service conditioned upon the selection of a second, distinctive tied product or service). No client is ever under any obligation to purchase any insurance product. Insurance products recommended by Abraham & Co.'s supervised persons may also be available from other providers on more favorable terms, and clients can purchase insurance products recommended through other unaffiliated insurance agencies.

***When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we***

**must:** Meet a professional standard of care when making investment recommendations (give prudent advice);  
Never put our financial interests ahead of yours when making recommendations (give loyal advice);  
Avoid misleading statements about conflicts of interest, fees, and investments;  
Follow policies and procedures designed to ensure that we give advice that is in your best interest;  
Charge no more than is reasonable for our services; and,  
Give you basic information about conflicts, or potential conflicts, of interest.

**Mr. Kye Abraham** is also President and Chairman of *LKA Gold Incorporated*, a publicly traded gold mining and exploration company (OTCQB:LKAI). Mr. Abraham may, depending on circumstances at any given time, spend considerable or, at times, even a majority of his available time on *LKA* related activities depending on company projects and their executive management requirements. Mr. Abraham is personally a major shareholder of *LKA* and the General Partner of the *Caldera Partners Limited Partnership* (also a major *LKA* shareholders) and receives substantial compensation from both entities. Abraham & Co. and members of Mr. Abraham's family are also shareholders of *LKA Gold*. Abraham & Co. also, from time to time, provides certain office and administrative services to *LKA* for substantial monthly fees. Interested parties are encouraged to read *LKA*'s public filings and press releases for specifics of Abraham & Co. and Mr. Abraham's compensation and management of *LKA* operations. Detailed description of *LKA* and Mr. Abraham's management activities can be found on *LKA*'s website at: [www.lkagold.com](http://www.lkagold.com) and on the SEC website at [www.sec.gov](http://www.sec.gov). Abraham & Co., its related parties, or investment advisor representatives will not recommend or purchase the securities of *LKA Gold* or *Caldera* for its advisory clients.

**Darrin McComas** is *Chief Investment Officer* and a *Compliance Officer* of Abraham & Co., is also the owner of *Evergreen Wealth Advisors LLC*, a small business entity that receives advisory fees, insurance commissions, and pays certain office and business-related expenses, to appropriately licensed persons, thru this entity. Mr. McComas conducts his full-time business thru *Abraham & Co.* As a licensed insurance agent, the sale of annuities and life insurance products creates a conflict of interest since there is an incentive to recommend insurance products based on commissions or other benefits received from the insurance company, rather than on the client's needs. Abraham & Co. addresses this conflict of interest by requiring its supervised persons, including Mr. McComas, to act in the best interest of the client (a *fiduciary*) at all times, even when acting as an insurance agent.

**Shane Lawrence Connolly** is an investment adviser representative with another registered investment advisory firm. From time to time, he may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. Abraham clients always have the right to decide whether or not to utilize the services of any Abraham & Co representative in such individual's outside capacities.

*Abraham & Co.* does not accept fees or services from other investment advisers, mutual fund wholesalers, mutual fund distributors (12b-1 fees) or broker dealers for managing client accounts. Abraham & Co., Inc.'s wholly-owned subsidiary, *Abraham Securities Corporation* (CRD# 13498) is a FINRA member Broker Dealer and a member of the *Securities Investor Protection Corporation "SIPC."*

All material conflicts of interest under California Code of Regulations Section 260.238(k) are disclosed regarding the investment adviser, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.

*Abraham & Co.* does not utilize third party investment advisers.

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

Abraham & Co. 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 Abraham & Co. must acknowledge the terms of the *Code of Ethics* annually, or as amended. Abraham & Co.'s employees and persons associated with Abraham & Co. are required to follow Abraham & Co.'s *Code of Ethics*. Subject to this policy and applicable laws, officers, directors, employees and licensed agents of Abraham & Co. and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Abraham & Co.'s clients. The *Code of Ethics* is designed to ensure that the personal securities transactions, activities and interests of

the employees of Abraham & Co. 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 *Abraham's* clients. In addition, the *Code* requires pre-clearance of many transactions, and restricts trading in close proximity to 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 (requires advance approval in writing by *Abraham's* Chief Compliance Officer) is continually monitored to reasonably identify and prevent conflicts of interest between *Abraham* and its clients. Clients, or prospective clients, may request a copy of the *Firm's Code of Ethics* by contacting the *Firm's* Chief Compliance Officer, Kye Abraham.

It is *Abraham & Co.'s* policy that the *Firm* will not act as a “market maker” or affect any “principal” or “agency cross” securities transactions for client accounts. Abraham & Co. will not cross trades between client accounts. *Principal transactions* are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An *agency cross transaction* is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer as is the case with Abraham & Co. and certain of its representatives.

*Abraham & Co. does not recommend that clients buy or sell any security in which Abraham & Co., or a related person, has a material financial interest. Advisory Clients will not be directed to execute trades thru Abraham Securities Corp.*

*Abraham & Co.* may buy or sell securities for its own investment account, or the accounts of affiliates, which it recommends or purchases for its clients. All such transactions occur on an “agency” basis. In the event of conflict, Abraham & Co. will give priority to orders placed by/for advisory clients. *Abraham & Co.* will not act as a “principal” in these transactions. There are no incentives offered to *Abraham* by TD Ameritrade (products, research or services) that influence Abraham & Co. to clear or maintain its client accounts. *Abraham* believes that the services and transaction costs charged to its clients by *TDA* are reasonable and competitive with industry standards.

## Item 12 – Brokerage Practices

Custodians/broker-dealers will be recommended based on Abraham & Co. Inc.’s duty to seek “best execution,” which is the obligation to seek to execute securities transactions for a client on terms that are the most favorable to the client under the circumstances. The client will not necessarily pay the lowest commission or commission equivalent, and Abraham & Co. Inc. may also consider the market expertise and research access provided by the payment of commissions, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers to aid in the research efforts of Abraham & Co. Abraham will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer or custodian. Abraham & Co. Inc. recommends TD Ameritrade Institutional, a division of TD Ameritrade, Inc. Member FINRA/SIPC (“TD Ameritrade”). TD Ameritrade is an independent and unaffiliated SEC-registered broker-dealer. Abraham & Co will not use its affiliate broker-dealer, Abraham Securities Corporation, as a custodian or to executes trades for advisory clients.

When placing orders in client accounts Abraham may (but is not obligated to) combine or “batch” or “aggregate” such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among Abraham’s clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure transactions will generally be averaged as to price and allocated among Abraham’s clients pro rata to the purchase and sale orders placed for each client on any given day. Abraham does not receive any additional compensation or remuneration as a result of the aggregation. In the event that Abraham determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include, but are not limited to: (i) When only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) Allocations may be given to one

account when one account has limitations in its investment guidelines, which prohibit it from purchasing other securities, which are expected to produce similar investment results and can be purchased by other accounts; (iii) If an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes or fluctuations in an account's assets after an order is placed); (iv) With respect to sale allocations, allocations may be given to accounts low in cash; (v) In cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, Abraham may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts or; (vi) In cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

## **Item 13 – Review of Accounts**

### **Client accounts will be reviewed at least annually.**

Market volatility and significant price swings in specific securities and/or account values will trigger more frequent reviews. Account reviews will be supervised and/or conducted by Kye Abraham or delegated to the account's designated advisor. Detailed account statements (prepared exclusively by the custodian) which show account asset prices, activity, advisory fees, and measure account performance during the quarter will be sent to directly to all clients on at least a quarterly basis. Additionally, monthly account statements are sent to those clients whose accounts have recorded any significant activity during the month. All statements are sent directly to clients by Abraham's clearing agent, or designated custodian. Abraham is not involved in the preparation of these statements or the pricing of any Advisory account assets.

### **Delivery of Notices & Reports.**

Abraham & Co. will direct the custodian(s) of a PAMA to transmit directly to the *Client* the following reports: (1) trade confirmations reflecting all transactions in securities; (2) statements itemizing all transactions in cash and securities, and all deposits and withdrawals of principal and income, submitted at least quarterly; (3) statements of securities in custody listing securities held in the account, submitted at least quarterly; (4) portfolio performance reports prepared and submitted on a quarterly basis including performance of Client's PAMA or account, activity summary, account valuation and realized gain or loss information; and (5) billings for account fees and expenses. Any or all of these communications may be delivered electronically (fax, email, secure internet transmissions, or other industry recognized means of electronic delivery) unless Client "opts-out" by informing Adviser in writing. Adviser, or its designated service provider(s), is responsible for delivering an invoice detailing the amount, and calculation used to derive same, of the advisory fees billed to Client's account on a monthly or quarterly basis, as billed.

Abraham will produce a portfolio performance report for Client detailing account assets and summarizing receipts and disbursements of funds, interest and dividends received and account gain or loss for the total account at least quarterly.

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

Abraham or its supervised persons receive compensation from independent marketing organizations (IMOs) which market and/or wholesale insurance products. This compensation is in the form of commissions, bonuses, sales awards, incentive trips, attendance to seminars, conferences, and entertainment events, marketing reimbursements, speaking fees, consulting fees, or other economic benefits. The achievement of particular sales volumes may qualify Abraham and/or its supervised persons for additional cash and non-cash compensation. In addition, IMOs also provides Abraham with significant marketing assistance, technology, and business development tools to acquire new clients, as well as with certain back office and operational support.

In addition, some of these benefits are contingent, in whole or part, upon the cumulative amount of business referred to the IMO and/or its affiliates such as total assets under management on an affiliate's platform or total annuity and life insurance production through the IMO. The contingency of the benefits that Abraham and its supervised persons receive from IMOs presents a conflict of interest when Abraham utilizes the co-advisory services of the IMO's affiliate, as the Abraham and its supervised persons may be influenced to recommend the affiliate to clients for such services in order to maintain the IMO relationship, to qualify for certain awards, and to continue to receive these benefits and compensation.

The commissions and other benefits that Abraham and its supervised persons receive for selling insurance products to advisory clients present a conflict of interest as they provide an incentive to recommend these products based on the compensation received rather than on clients' best interests. Abraham addresses these conflicts as described in Item 10C of this brochure.



Abraham participates in the institutional advisor program (the “Program”) offered by TD Ameritrade. TD Ameritrade offers to independent investment advisor services which include custody of securities, trade execution, clearance and settlement of transactions. Abraham receives some non-cash and technology benefits from TD Ameritrade through its participation in the Program.

As part of the Program, Abraham may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between Abraham’s participation in the Program and the investment advice it gives to its clients, although Abraham receives economic benefits through its participation in the Program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Abraham participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have Abraham’s fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Abraham by third party vendors. TD Ameritrade may also pay for business consulting and professional services received by Abraham’s related persons. Some of the products and services made available by TD Ameritrade through the Program may benefit ABRAHAM but may not benefit its client accounts. These products or services may assist Abraham in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Abraham manage and further develop its business enterprise. The benefits received by Abraham or its personnel through participation in the Program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, Abraham endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Abraham or its related persons in and of itself creates a conflict of interest and may indirectly influence Abraham’s choice of TD Ameritrade for custody and brokerage services.

*Abraham* does not compensate non-advisory personnel (solicitors) for client referrals.

## Item 15 – Custody

Custody of all clients’ assets covered by *Abraham’s* Advisory agreements (“PAMA”) are to be held directly by a qualified custodian. Clients should receive statements at least quarterly directly from the broker-dealer, bank, or other qualified custodian that holds and maintains client investment assets. Statements from different custodians (prepared by the custodian) may vary based on each custodian’s accounting procedures, reporting dates, or valuation methodologies of certain securities. *Abraham* will not accept, or have direct access to, client accounts or assets. Additionally, *Abraham* will not accept, or instruct the custodian(s) to accept instructions for distribution or transfer of client assets to third parties except where required by law or regulatory authority. *Abraham* does not have custody of client funds or securities.

When advisory fees are deducted directly from client accounts at client’s custodian, *Abraham* will be deemed to have limited custody of client’s assets. Because client fees will be withdrawn directly from client accounts, in states that require it, *Abraham* will:

- (A) Possess written authorization from the client to deduct advisory fees from an account held by a qualified custodian.
- (B) Send the qualified custodian written notice of the amount of the fee to be deducted from the client’s account and verify that the qualified custodian sends invoices to the client.
- (C) Send the client a written invoice itemizing the fee upon or prior to fee deduction, including the formula used to calculate the fee, the time period covered by the fee and the amount of assets under management on which the fee was based.

Clients will receive custodial account statements and billing invoices and they should carefully review those statements for accuracy. Clients are urged to compare the account statements they received from custodian with those they received from *Abraham*.

### ***State of Illinois Clients***

The State of Illinois deems that an Investment Adviser has “custody” if the investment advisory fees are deducted from the clients account at the direction of the *Adviser*.

## Item 16 – Investment Discretion

Abraham & Co. receives discretionary authority from the client at the outset of an advisory relationship through the Private Asset Management Account agreement (“PAMA”) or Investment to select specific securities and the amount 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 particular *client* account. Clients are advised that in the case purchases of securities made in entities affiliated with Abraham & Co., prior disclosure will be made in writing and acknowledgement received from client. **Client is advised that Abraham relies on the information, provided by the Client, in these forms/agreements to determine investment suitability, risk tolerance, investment time horizons, and account management style. Clients are advised, and have an obligation, to promptly notify Abraham of ANY significant changes in financial, health, or personal circumstances that actually, or may, affect the Client’s financial condition or the manner in which Abraham manages the Client’s account(s).**

Abraham & Co. will also have discretionary authority to determine the custodian or broker dealer to be used for a purchase or sale of securities for a client’s account.

## Item 17 – Voting Client Securities

As a matter of *Firm* policy and practice, Abraham & Co. does not generally vote proxies on behalf of advisory clients. In certain cases Abraham may, but is not required to, vote proxies or instruct clients to vote proxies if Abraham believes that *not voting* could have a detrimental effect on clients accounts. Clients retain the responsibility for receiving and voting proxies for all securities held in client accounts. Clients will inform Abraham & Co. of their desire to vote, or refrain from voting, proxies.

Generally, it is the policy of Abraham & Co. to NOT vote proxies on behalf of clients, except in very limited circumstances where proxy voting may have an adverse effect on PAMA performance. Clients will have the option to select their proxy voting preferences when executing the PAMA.

## Item 18 – Financial Information

Registered Investment Advisers are required in this Item to provide advisory clients with certain financial information or disclosures concerning the Advisor’s financial condition. Abraham & Co. has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has never been the subject of a bankruptcy proceeding. A copy of Abraham & Co.’s most recent financial statements, and/or those of its clearing agent(s) will be provided to clients upon written request unless otherwise required by law or regulation. Abraham does not require or solicit the prepayment of more than \$500 in fees, per client, six months or more in advance.

## Item 19 – Requirements For State Registered Advisers

### Principal Executive Officers and Management Persons; Their Formal Education and Business Background

Abraham & Co. currently has only one senior management/executive officer; Kye Abraham. Mr. Abraham relies on a team of investment adviser representatives, administrative assistants and consultants including the Firm’s Chief Investment Officer, Darrin McComas. Education and business background can be found on the Form ADV Part 2B brochure supplement for these individuals.

### A. Other Businesses in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those (If Any)

Other business activities for each relevant individual can be found on the individual’s Form ADV Part 2B brochure supplement attached.

### B. How Performance-based Fees are Calculated and Degree of Risk to Clients

Abraham & Co. does not accept performance-based fees or other fees based on a share of capital gains or capital appreciation of the assets of a client.

### C. Material Disciplinary Disclosures for Management Persons of this Firm

In November 1987, a regulatory action was initiated by NASD (FINRA) against Abraham & Co. and Kye Abraham on NASD allegations of a violation of Article III Section 1 of the NASD's "Rules of Fair Practice." The NASD alleged that Abraham did not, in a timely manner, distribute client securities resulting from a private placement of securities in a cellular communications company (the "Issuer.") Abraham contended that it was prevented by the Issuer's legal counsel from making any distributions during the period due to restrictions associated with the Issuer's SEC filing for public trading ("listing") status on the NASDAQ Exchange. After the Issuer completed the listing process all securities were distributed to Abraham's clients. The matter is no longer pending, as it resulted in a *Decision & Order of Offer of Settlement*, on December 1988 wherein Abraham & Co. and Kye Abraham, (jointly and severally) without admitting or denying the NASD allegations, paid a monetary fine of \$1,000. This regulatory action did not involve a complaint by any of the clients/investors involved.

#### **D. Material Relationships That Management Persons Have With Issuers of Securities (If Any)**

Mr. Kye Abraham is also President and Chairman of LKA Gold Incorporated, a publicly traded gold mining and exploration company (OTCQB:LKAI). Mr. Abraham may, depending on circumstances at any given time, spend considerable or, at times, even a majority of his available time on LKA related activities depending on company projects and their executive management requirements. Mr. Abraham is personally a major shareholder of LKA and the General Partner of the Caldera Partners Limited Partnership (also a major LKA shareholders) and receives substantial compensation from both entities. Abraham & Co. and several members of Mr. Abraham's family are also shareholders of LKA Gold. Abraham & Co. also, from time to time, provides certain office and administrative services to LKA for substantial monthly fees. Interested parties are encouraged to read LKA's public filings and press releases for specifics of Abraham & Co. and Mr. Abraham's compensation and management of LKA operations. Detailed description of LKA and Mr. Abraham's management activities can be found on LKA's website at: [www.lkagold.com](http://www.lkagold.com) and on the SEC website at [www.sec.gov](http://www.sec.gov). The securities of LKA are not offered to advisory clients.



This Brochure Supplement includes the ADV Part 2B disclosures for only those persons who's decisions will affect your PAMA account. Included are your *Investment Adviser Representative*, the Firm's *President & Chief Compliance Officer* and the *Chief Investment Officer*. ADV Part 2B disclosures for the Firm's other *Investment Adviser Representatives* can be found in the full version of its Form ADV Part 2A & B.

## Abraham & Co., Inc.

3724 47<sup>th</sup> Street Ct. - Gig Harbor, WA 98335

(253) 851-7486

[abeco@abrahamco.com](mailto:abeco@abrahamco.com)

[www.abrahamco.com](http://www.abrahamco.com)

CRD# 299085

### **Brochure Supplement ADV Part 2B**

#### **Kye A. Abraham**

President & Chief Compliance Officer

Investment Adviser Representative

CRD #872944

*This Brochure Supplement provides information about Kye Abraham, the Firm's President and Chief Compliance Officer that supplements the Abraham & Co., Inc. Client Information Brochure. You should have received a copy of that Brochure at the time your account was opened or shortly thereafter. Please contact Mr. Kye Abraham if you did not receive the Brochure or if you have any questions or concerns about the contents of this supplement.*

*Additional information about Mr. Abraham can be found on Abraham & Co.'s website at [www.abrahamco.com](http://www.abrahamco.com) and on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or the FINRA website at: <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/>*

## Item 2 Educational Background and Business Experience

Kye A. Abraham

D.O.B. 9/14/58

**Abraham & Co., Inc.** generally requires that all individuals engaged in selecting or managing client assets must possess a degree in financial or accounting related courses and at least five years of active experience in the investment advisory or securities industry, or, at least ten years active experience as an investment advisor, financial planner, or securities industry professional. These conditions may be waived in certain circumstances where Mr. Abraham believes that an appropriately licensed, educated (graduate degree), and experienced *Investment Adviser Representative* is qualified to execute these tasks and assume these responsibilities.

**Formal Education after High School** – No Graduate Degrees. Select accounting and business related courses and multiple securities and insurance industry training courses.

### Business Background –

Abraham & Co., Inc. (Investment Adviser Representative)	03/2000 – Present
Abraham Securities Corporation (Registered Representative)	01/1983 – Present
LKA International Inc. (President/Chairman)	08/1982 – Present

Mr. Abraham is Abraham & Co.'s *President*, sole shareholder and *Financial Operations Principle* as well its *Chief Compliance Officer*.

## Item 3- Disciplinary Information

In November 1987, a regulatory action was initiated by its regulatory agency (NASD) against Kye Abraham and Abraham & Co. involving allegations of a violation of Article III Section 1 of the NASD's Rules of Fair Practice. There were no specific claims or damages alleged. The matter is no longer pending and was resolved in a *Decision & Order of Offer of Settlement* on December 1988 wherein Kye Abraham and Abraham & Co. jointly paid a monetary fine of \$1,000. This action was regulatory in nature and did not involve a customer or client complaint. For further details read Abraham & Co.'s *Client Information Brochure ADV Part 2A*. Complete securities industry background, licensing and reports may be found at "*Broker Check*" on the FINRA website: <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/>

## Item 4- Other Business Activities

Mr. Abraham is also a registered representative of *Abraham Securities Corporation*. From time to time, he will, where appropriate, offer clients advice or products from those activities. Clients should be aware that these services and products generally pay a commission and involve a conflict-of-interest, as commissionable products conflict with the fiduciary duties of a *Registered Investment Adviser*. Abraham & Co. always seeks to act in the best interest of the client, including the sale of commissionable products to advisory clients. Clients always have the right to decide whether or not to utilize the services of any representative of Abraham & Co. in such individual's outside capacities.

Mr. Abraham is a licensed insurance agent. From time to time, he will offer clients advice or products from those activities. Clients should be aware that these services pay a commission and involve an inherent conflict of interest, as commissionable products conflict with the traditional fiduciary duties of a registered investment adviser. Abraham & Co. always seeks to act in the best interest of the client, including the sale of commissionable products to advisory clients. The Firm believes that certain of these insurance-based products or services can reduce overall risk in client portfolios, provide a measure of protection from market volatility and asset preservation. Clients always have the right to decide whether or not to utilize the services of any representative of Abraham & Co. in such individual's outside capacities.

Mr. Abraham co-founded LKA Gold Incorporated (an affiliate of Abraham & Co., Inc.) in 1979 at the age of twenty-one and has supervised and/or managed the business activities of numerous LKA-sponsored limited partnerships and affiliated companies. These activities included oil & gas projects in North America, precious metals and precious gemstone mining operations in North America, Africa and Indonesia. The common stock of LKA is publicly traded on the OTC Markets (OTCQB) under the symbol "LKAL." Mr. Abraham is a major shareholder of LKA and currently serves as the Company's President and Chairman. Mr. Abraham is also the General Partner of the Caldera Partners Limited Partnership. Caldera (a major shareholder of LKA securities) does not require a significant amount of Mr. Abraham's time as measured on an annual basis. Mr. Abraham receives 10% of Caldera's available, distributed, cash. Caldera derives revenues exclusively from the sale of its LKA shareholdings, its only

asset. Mr. Abraham spends approximately 30 hrs. per month on LKA related business. Since Abraham & Co. business is not directly tied to "trading hours" the exact time of day that Mr. Abraham conducts LKA business varies greatly depending on client needs for Abraham & Co. balanced against LKA priorities.

### **Item 5- Additional Compensation**

Kye Abraham is an *Investment Adviser Representative* with Abraham & Co., Inc. He does not receive any economic benefit from any person, company, mutual fund, or organization, other than Abraham & Co., in exchange for providing the Firm's clients with investment advice and advisory services

### **Item 6 - Supervision**

Kye Abraham is Abraham & Co.'s *President* and *Chief Compliance Officer*. Mr. Abraham conducts a number of active and passive procedures to ensure compliance with the Firm's FINRA required, *Written Supervisory Procedures* and the various state regulations and statutes concerning *Registered Investment Advisers*. As a FINRA registered *Principal & Financial Operations Principle*, Mr. Abraham is qualified to conduct such supervision. Some of the active supervision measures include, but are not limited to, regular monitoring of client advisory accounts, reviewing trade blotters, reviewing updates to account objectives, suitability, and risk tolerance to ensure appropriate investments and strategies for advisory accounts. The Firm's *Written Supervisory Procedures* are also reviewed by Mr. Abraham (amendments added if required) and annually certified at to accuracy. Mr. Abraham also personally monitors (samples) client email correspondence and client requests. Mr. Abraham can be reached at (253) 851-7486 or at [invest@abrahamco.com](mailto:invest@abrahamco.com)

### **Item 7- Requirements for State-Registered Advisers**

This disclosure is required by state securities authorities and is provided for your use in evaluating this investment advisor representative's suitability.

#### **A. Kye A Abraham has NOT been involved in any of the events listed below.**

1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:
  - (a) an investment or an investment-related business or activity;
  - (b) fraud, false statement(s), or omissions;
  - (c) theft, embezzlement, or other wrongful taking of property;
  - (d) bribery, forgery, counterfeiting, or extortion; or
  - (e) dishonest, unfair, or unethical practice.
  
2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
  - (a) an investment or an investment-related business or activity; \*(See Item 3 above)
  - (b) fraud, false statement(s), or omissions;
  - (c) theft, embezzlement, or other wrongful taking of property;
  - (d) bribery, forgery, counterfeiting, or extortion; or
  - (e) dishonest, unfair, or unethical practices.

#### **B. Kye A Abraham has NOT been the subject of a bankruptcy petition in the past ten year**

This Brochure Supplement includes the ADV Part 2B disclosures for only those persons who's decisions will affect your PAMA account. Included are your *Investment Adviser Representative*, the Firm's *President & Chief Compliance Officer* and the *Chief Investment Officer*. ADV Part 2B disclosures for the Firm's other *Investment Adviser Representatives* can be found in the full version of its Form ADV Part 2A & B.

# Abraham & Co., Inc.

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CRD# 299085

## Brochure Supplement ADV Part 2B

**Darrin M. McComas**  
Chief Investment Officer  
CRD #6632790

*This Brochure Supplement provides information about Darrin M. McComas, the Firm's Chief Investment Officer and Assistant Chief Compliance Officer that supplements the Abraham & Co., Inc. Client Information Brochure. You should have received a copy of that Brochure at the time your account was opened or shortly thereafter. Please contact Mr. McComas if you did not receive the Brochure or if you have any questions or concerns about the contents of this supplement. He can be reached at: (509) 995-5513 or by email at: [dmccomas@abrahamco.com](mailto:dmccomas@abrahamco.com)*

*Additional information about Mr. McComas can be found on Abraham & Co.'s website at [www.abrahamco.com](http://www.abrahamco.com) and on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or the FINRA website at: <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/>*

## Item 2 Educational Background and Business Experience

**Darrin M. McComas**

**Born: 1974**

### Education:

Masters Technology in Education, Lesley University - 2002

BA Secondary Science Education, Eastern Washington University – 1998

### Business Background:

Abraham & Co., Inc. - Present (*Investment Adviser Representative, Chief Investment Officer, & Assistant Chief Compliance Officer*)

07/2019 - Present

Lifemark Securities Corp. (Investment Adviser Representative)

09/2018 – 7/2019

Total Advisor Network, LLC (Investment Adviser Representative)

04/2016 – 08/2018

Teacher - Mead School District

08/2003 – 01/2020

## Item 3 Disciplinary Information

Mr. McComas has not been subject to any legal or disciplinary events, including criminal actions, revocations, or suspensions that are material to a client's or prospective client's evaluation of this advisory business.

## Item 4 Other Business Activities

Darrin McComas is the owner of *Evergreen Wealth Advisors LLC*, (not a licensed investment firm) that pays certain administrative expenses and receives fees from Abraham & Co. for investment advisory services. Mr. McComas conducts his full-time business thru Abraham & Co. and pays certain business-related expenses thru this entity.

Darrin McComas is an independent insurance agent. Apart from traditional fiduciary advisory services, he offers certain insurance products to the Firm's clients for which he is compensated directly by the insurance providers. Clients should be aware that these services pay a commission and involve an inherent conflict of interest, as commissionable products conflict with the traditional fiduciary duties of a registered investment adviser.

Mr. McComas always seeks to act in the best interest of the client, including the sale of commissionable products to advisory clients. The Firm and Mr. McComas believe that certain of these insurance-based products or services can reduce overall risk in client portfolios, provide a measure of protection from market volatility and asset preservation. Clients always have the right to decide whether or not to utilize the services of any representative of Abraham & Co. in such individual's outside capacities.

Darrin McComas's wife, Sammie McComas, is the Marketing Director at *Retirement Plus LLC*, which is owned by her brother, Shon Peil, a licensed insurance agent. Mr. Peil and Mrs. McComas work closely with Mr. McComas, and many other licensed fiduciary advisers, in the areas of client marketing and annuity evaluation and selection. Neither Mr. Peil nor Mrs. McComas are licensed advisers and are not directly affiliated with, or compensated by, Abraham & Co.

## Item 5 Additional Compensation

Darrin McComas is an *Investment Adviser Representative* with Abraham & Co., Inc. Except for certain insurance products as described above, he does not receive any economic benefit from any person, company, or organization, other than Abraham & Co., in exchange for providing the Firm's clients with investment advice and advisory services.

## Item 6 Supervision

Mr. McComas is the Firm's *Assistant Chief Compliance Officer* and responsible for oversight of his own business involving Abraham & Co. clients. He is also responsible for supervising the Firm's activities and IARs (fiduciary advisers) in the Spokane Valley, WA office. Mr. McComas can be reached at: (509) 995-5513 or by email at: [dmccomas@abrahamco.com](mailto:dmccomas@abrahamco.com)

In the supervision of the Firm's associated persons, advice provided is limited based on the restrictions set by Abraham & Co. and by internal decisions as to the types of investments that may be included in client portfolios. The Firm conducts periodic reviews of client holdings and documented suitability information to provide

reasonable assurance that the advice provided remains aligned with each client's stated investment objectives and the Firm's internal guidelines.

### **Item 7 Requirements for State Registered Advisers**

*This disclosure is required by state securities authorities and is provided for your use in evaluating this investment adviser representative's suitability.*

**A. Darrin Mitchel McComas has NOT been involved in any of the events listed below.**

**A. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:**

- (a) an investment or an investment-related business or activity;
- (b) fraud, false statement(s), or omissions;
- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair, or unethical practices.

**1. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:**

- (a) an investment or an investment-related business or activity;
- (b) fraud, false statement(s), or omissions;
- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair, or unethical practices.

**B. Darrin Mitchel McComas has NOT been the subject of a bankruptcy petition in the past ten years.**

This Brochure Supplement includes the ADV Part 2B disclosures for only those persons who's decisions will affect your PAMA account. Included are your *Investment Adviser Representative*, the Firm's *President & Chief Compliance Officer* and the *Chief Investment Officer*. ADV Part 2B disclosures for the Firm's other *Investment Adviser Representatives* can be found in the full version of its Form ADV Part 2A & B.

## Abraham & Co., Inc.

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(253) 851-7486

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[www.abrahamco.com](http://www.abrahamco.com)

CRD# 299085

### Brochure Supplement ADV Part 2B

#### Kyle David Appelbaum

Investment Adviser Representative

CRD #6773430

*This Brochure Supplement provides information about Kyle David Appelbaum that supplements the Abraham & Co., Inc. Client Information Brochure. You should have received a copy of that Brochure at the time your account was opened or shortly thereafter. Please contact Mr. Appelbaum if you did not receive the Brochure or if you have any questions or concerns about the contents of this supplement.*

*Additional information about Mr. Appelbaum can be found on Abraham & Co.'s website at [www.abrahamco.com](http://www.abrahamco.com) and on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or the FINRA website at: <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/>*



## Item 2 Educational Background and Business Experience

**Kyle David Appelbaum**

**Born: 1997**

### Education:

Associates Business Administration, Purdue Global University - 2021

### Business Background:

Abraham & Co., Inc. - Present (Investment Adviser Representative)	07/2021 – Present
Abraham & Co., Inc. - Present (Financial Advisor)	06/2021 – Present
US Bancorp Investments, NA (Wealth Management Adviser)	07/2019 – 06/2021
US Bank NA (Personal Banker)	07/2015 – 07/2019

## Item 3 Disciplinary Information

Kyle Appelbaum has not been subject to any legal or disciplinary events, including criminal actions, revocations, or suspensions that are material to a client's or prospective client's evaluation of this advisory business.

## Item 4 Other Business Activities

Kyle Appelbaum is an Investment Adviser Representative with Abraham & Co., Inc. and is not engaged in any investment-related business or occupation (other than this advisory firm).

## Item 5 Additional Compensation

Kyle Appelbaum does not receive any economic benefit from any person, company, or organization, other than Abraham & Co. in exchange for providing clients advisory services through Abraham & Co. Mr. Appelbaum is frequently paid for administrative activities on behalf of Abraham & Co. thru *Evergreen Wealth Advisors, LLC* (not a licensed investment firm) which is owned by Darrin McComas, the *Chief Investment Officer* and *Assistant Chief Compliance Officer* for Abraham & Co.

## Item 6 Supervision

Darrin McComas, the Firm's *Assistant Chief Compliance Officer*, is responsible for supervising the day-to-day investment advisory activities of Mr. Appelbaum. Kye Abraham, the Firm's *Chief Compliance Officer* is responsible for oversight of this supervision. Mr. Abraham can be reached at (253) 851-7486 or at [invest@abrahamco.com](mailto:invest@abrahamco.com)

In the supervision of our associated persons, advice provided is limited based on the restrictions set by Abraham & Co., Inc. and by internal decisions as to the types of investments that may be included in client portfolios. We conduct periodic reviews of client holdings and documented suitability information to provide reasonable assurance that the advice provided remains aligned with each client's stated investment objectives and with our internal guidelines.

## Item 7 Requirements for State Registered Advisers

This disclosure is required by state securities authorities and is provided for your use in evaluating this investment adviser representative's suitability.

### A. Kyle David Appelbaum has NOT been involved in any of the events listed below.

1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:
  - (a) an investment or an investment-related business or activity;
  - (b) fraud, false statement(s), or omissions;
  - (c) theft, embezzlement, or other wrongful taking of property;
  - (d) bribery, forgery, counterfeiting, or extortion; or
  - (e) dishonest, unfair, or unethical practices.

2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative

proceeding involving any of the following:

- (a) an investment or an investment-related business or activity;
- (b) fraud, false statement(s), or omissions;
- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair, or unethical practices.

**B. Kyle David Appelbaum has NOT been the subject of a bankruptcy petition in the past ten years.**

This Brochure Supplement includes the ADV Part 2B disclosures for only those persons who's decisions will affect your PAMA account. Included are your *Investment Adviser Representative*, the Firm's *President & Chief Compliance Officer* and the *Chief Investment Officer*. ADV Part 2B disclosures for the Firm's other *Investment Adviser Representatives* can be found in the full version of its Form ADV Part 2A & B.

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[www.abrahamco.com](http://www.abrahamco.com)

CRD# 299085

### Brochure Supplement ADV Part 2B

#### Matthew Philip Sherman

Investment Adviser Representative

CRD # 7371616

*This Brochure Supplement provides information about Matthew Philip Sherman that supplements the Abraham & Co., Inc. Client Information Brochure. You should have received a copy of that Brochure at the time your account was opened or shortly thereafter. Please contact Mr. Sherman if you did not receive the Brochure or if you have any questions or concerns about the contents of this supplement.*

*Additional information about Mr. Sherman can be found on Abraham & Co.'s website at [www.abrahamco.com](http://www.abrahamco.com) and on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or the FINRA website at: <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/>*

## Item 2 Educational Background and Business Experience

### Matthew Philip Sherman

**Born: 1981**

Abraham & Co., Inc. generally requires that all individuals engaged in selecting or managing client assets must possess a degree in financial or accounting related courses and at least five years of active experience in the investment advisory or securities industry, or, at least ten years active experience as an investment advisor, financial planner, or securities industry professional. These conditions may be waived in certain circumstances where Mr. Abraham believes that an appropriately licensed, educated (graduate degree), and experienced *Investment Adviser Representative* is qualified to execute these tasks and assume these responsibilities.

**Formal Education after High School** – No Graduate Degrees.

### Business Background:

Abraham & Co., Inc. (Investment Adviser Representative)	05/2021 – Present
ClearPath Financial and Insurance Solutions (President)	07/2017 – Present
World Financial Group (Insurance)	08/2013 –07/2017

## Item 3 Disciplinary Information

Matthew Sherman has not been subject to any legal or disciplinary events, including criminal actions, revocations, or suspensions that are material to a client's, or prospective client's, evaluation of this advisory business.

## Item 4 Other Business Activities

Matthew Sherman is an *Investment Adviser Representative* with Abraham & Co., Inc. He does not receive any economic benefit from any person, company, or organization, other than Abraham & Co., in exchange for providing the *Firm's* clients with investment advice and advisory services.

Matthew Sherman is also a licensed insurance agent and President of *ClearPath Financial & Insurance Solutions, LLC*. From time to time, he will offer clients advice or products from this activity. Clients should be aware that these services pay a commission and involve a possible conflict of interest, as commissionable products can conflict with the fiduciary duties of a registered investment adviser. Abraham & Co. always acts in the best interest of the client; including in the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of Abraham & Co. in their capacity as a licensed insurance agent.

## Item 5 Additional Compensation

Matthew Sherman does not receive any economic benefit from any person, company, or organization, other than Abraham & Co. in exchange for providing clients advisory services through Abraham & Co.

## Item 6 Supervision

Darrin McComas, the Firm's *Assistant Chief Compliance Officer*, is responsible for supervising the day-to-day investment advisory activities of Mr. Sherman. Kye Abraham, the Firm's *Chief Compliance Officer* is responsible for oversight of this supervision. Mr. Abraham can be reached at (253) 851-7486 or at [invest@abrahamco.com](mailto:invest@abrahamco.com)

In the supervision of our associated persons, advice provided is limited based on the restrictions set by Abraham & Co., Inc. and by internal decisions as to the types of investments that may be included in client portfolios. We conduct periodic reviews of client holdings and documented suitability information to provide reasonable assurance that the advice provided remains aligned with each client's stated investment objectives and with our internal guidelines.

## Item 7 Requirements for State Registered Advisers

*This disclosure is required by state securities authorities and is provided for your use in evaluating this investment adviser representative's suitability.*

### A. Matthew Philip Sherman has NOT been involved in any of the events listed below.

1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:

- (a) an investment or an investment-related business or activity;
  - (b) fraud, false statement(s), or omissions;
  - (c) theft, embezzlement, or other wrongful taking of property;
  - (d) bribery, forgery, counterfeiting, or extortion; or
  - (e) dishonest, unfair, or unethical practices.
2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
- (a) an investment or an investment-related business or activity;
  - (b) fraud, false statement(s), or omissions;
  - (c) theft, embezzlement, or other wrongful taking of property;
  - (d) bribery, forgery, counterfeiting, or extortion; or
  - (e) dishonest, unfair, or unethical practices.

**B. Matthew Philip Sherman has NOT been the subject of a bankruptcy petition in the past ten years.**

This Brochure Supplement includes the ADV Part 2B disclosures for only those persons who's decisions will affect your PAMA account. Included are your *Investment Adviser Representative*, the Firm's *President & Chief Compliance Officer* and the *Chief Investment Officer*. ADV Part 2B disclosures for the Firm's other *Investment Adviser Representatives* can be found in the full version of its Form ADV Part 2A & B.

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CRD# 299085

### Brochure Supplement ADV Part 2B

**Andrew James Amoroso**

Investment Adviser Representative

CRD # 7515730

*This Brochure Supplement provides information about Andrew James Amoroso that supplements the Abraham & Co., Inc. Client Information Brochure. You should have received a copy of that Brochure at the time your account was opened or shortly thereafter. Please contact Mr. Amoroso if you did not receive the Brochure or if you have any questions or concerns about the contents of this supplement.*

*Additional information about Mr. Amoroso can be found on Abraham & Co.'s website at [www.abrahamco.com](http://www.abrahamco.com) and on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or the FINRA website at: <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/>*

### Item 2 Educational Background and Business Experience

## Andrew James Amoroso

**Born: 1985**

Abraham & Co., Inc. generally requires that all individuals engaged in selecting or managing client assets must possess a degree in financial or accounting related courses and at least five years of active experience in the investment advisory or securities industry, or, at least ten years active experience as an investment advisor, financial planner, or securities industry professional. These conditions may be waived in certain circumstances where Mr. Abraham believes that an appropriately licensed, educated (graduate degree), and experienced Investment Adviser Representative is qualified to execute these tasks and assume these responsibilities.

Currently, only Kye Abraham, the Firm's *Chief Executive Officer*, and Darrin McComas, the Firm's *Chief Investment Officer*, are authorized to select and manage investments in client accounts.

**Formal Education after High School** - Business Management Business Management & Finance, Western Washington University - 2008

### Business Background:

Abraham & Co., Inc. (Investment Adviser Representative)	03/2022 - Present
Independent/Self Employed (Insurance Advisor)	06/2019 - Present
Healthcare Consulting (District Manager)	09/2013 - 05/2019
Sodexo (Manager)	09/2004 - 09/2013

### Item 3 Disciplinary Information

Mr. Amoroso has not been subject to any legal or disciplinary events, including criminal actions, revocations, or suspensions that are material to a client's or prospective client's evaluation of this advisory business.

### Item 4 Other Business Activities

Mr. Amoroso is also a licensed insurance agent. From time to time, he offers clients certain products from those activities. Clients should be aware that these products usually pay a commission (from the insurance companies and not the clients) and may present a conflict of interest, as commissionable insurance products may conflict with the fiduciary duties of a registered investment adviser. Abraham & Co. (including its *Investment Adviser Representatives*) recommend these products only when it believes they will benefit the client. Clients always have the right to decide whether or not to accept these recommendations and utilize these services or products. The sale of insurance products are limited to only those offered by certain insurance providers. Abraham & Co. addresses this potential conflict of interest by requiring its supervised persons to act in the best interest of the client at all times, including when acting as an insurance agent. Abraham & Co. periodically reviews recommendations by its supervised persons to assess whether they are based on an objective evaluation of each client's risk profile and investment objectives rather than on the receipt of any commissions or other benefits. All supervised persons are required to disclose in advance how they are compensated and will disclose conflicts of interest involving any advice or service provided. At no time will there be tying between business practices and/or services (a condition where a client or prospective client would be required to accept one product or service conditioned upon the selection of a second, distinctive tied product or service). No client is ever under any obligation to purchase any insurance product. Insurance products recommended by Abraham & Co. supervised persons may also be available from other providers on more favorable terms, and clients can purchase insurance products recommended through other unaffiliated insurance agencies.

Mr. Amoroso is the owner of Amoroso Enterprises, LLC which provides certain convenience services to property and home owners that are unrelated to his investment advisory business with Abraham & Co.

### Item 5 Additional Compensation

Mr. Amoroso is paid occasionally (on a project-by-project basis) by *Evergreen Wealth Advisors LLC ("EWA")* a Washington state LLC. (not a licensed investment firm) which is solely owned by Darrin McComas, Abraham & Co.'s *Chief Investment Officer* and backup *Chief Compliance Officer*. EWA derives its income directly from Abraham & Co. business.

Mr. Amoroso does not receive any economic benefit (sales awards and other prizes) from any person, company,



or organization, other than Abraham & Co. in exchange for providing clients advisory services through Abraham & Co. Mr. Amoroso is also a Notary Public and from time to time charges a fee for notary services

### **Item 6 Supervision**

Kye Abraham, Chief Compliance Officer, for Abraham & Co. is responsible for supervising the investment advisory activities of Mr. Amoroso. Mr. Abraham can be reached at (253) 851-7486 or at invest@abrahamco.com

In the supervision of our associated persons, advice provided is limited based on the restrictions set by Abraham & Co., Inc. and by internal decisions as to the types of investments that may be included in client portfolios. We conduct periodic reviews of client holdings and documented suitability information to provide reasonable assurance that the advice provided remains aligned with each client's stated investment objectives and with our internal guidelines.

### **Item 7 Requirements for State Registered Advisers**

*This disclosure is required by state securities authorities and is provided for your use in evaluating this investment adviser representative's suitability.*

#### **A. Andrew James Amoroso has NOT been involved in any of the events listed below.**

1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:
  - (a) an investment or an investment-related business or activity;
  - (b) fraud, false statement(s), or omissions;
  - (c) theft, embezzlement, or other wrongful taking of property;
  - (d) bribery, forgery, counterfeiting, or extortion; or
  - (e) dishonest, unfair, or unethical practices.
  
2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
  - (a) an investment or an investment-related business or activity;
  - (b) fraud, false statement(s), or omissions;
  - (c) theft, embezzlement, or other wrongful taking of property;
  - (d) bribery, forgery, counterfeiting, or extortion; or
  - (e) dishonest, unfair, or unethical practices.

#### **B. Andrew James Amoroso has NOT been the subject of a bankruptcy petition in the past ten years.**

This Brochure Supplement includes the ADV Part 2B disclosures for only those persons who's decisions will affect your PAMA account. Included are your *Investment Adviser Representative*, the Firm's *President & Chief Compliance Officer* and the *Chief Investment Officer*. ADV Part 2B disclosures for the Firm's other *Investment Adviser Representatives* can be found in the full version of its Form ADV Part 2A & B.

## Abraham & Co., Inc.

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[www.abrahamco.com](http://www.abrahamco.com)

CRD# 299085

### **Brochure Supplement ADV Part 2B**

**Shawn Lawrence Connolly**

Investment Adviser Representative

Investment Adviser Representative

CRD # 2842213

*This Brochure Supplement provides information about Shawn Lawrence Connolly that supplements the Abraham & Co., Inc. Client Information Brochure. You should have received a copy of that Brochure at the time your account was opened or shortly thereafter. Please contact Mr. Connolly if you did not receive the Brochure or if you have any questions or concerns about the contents of this supplement.*

*Additional information about Mr. Connolly can be found on Abraham & Co.'s website at [www.abrahamco.com](http://www.abrahamco.com) and on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or the FINRA website at: <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/>*

## Item 2 Educational Background and Business Experience

**Shawn Lawrence Connolly**

**Born: 1957**

Abraham & Co., generally requires that all individuals engaged in selecting or managing client assets must possess a degree in financial or accounting related courses and at least five years of active experience in the investment advisory or securities industry, or, at least ten years active experience as an investment advisor, financial planner, or securities industry professional. These conditions may be waived in certain circumstances where Mr. Abraham believes that an appropriately licensed, educated (graduate degree), and experienced Investment Adviser Representative is qualified to execute these tasks and assume these responsibilities. Mr. Connolly has sufficient industry background and education to meet these requirements. Currently, only Kye Abraham, the Firm's Chief Executive Officer, and Darrin McComas, the Firm's Chief Investment Officer, are authorized to select and manage investments in ALL client accounts. Mr. Connolly has such authority for the clients of Connolly Wealth Management.

### Educational and Business Background:

University of Colorado at Denver; B.S in Business;

1981

Investment Adviser Representative, Abraham & Co;

06/2022 to Present

Sole Proprietor, Connolly Wealth Management; Manager/IAR;

11/2010 to Present

Connolly Insurance Group; President/Agent; license #892470;

11/1995 to Present

Gradient Securities, LLC; Registered Representative;

10/2009 to 04/2011

World Group Securities; Registered Representative;

10/2003 to 03/2009

Woodbury; Registered Representative;

05/2000 to 10/2003

Mony Securities; Registered Representative;

01/1997 to 06/2000

## Item 3 Disciplinary Information

Mr. Connolly has not been subject to any legal or disciplinary events, including criminal actions, revocations, or suspensions that are material to a client's or prospective client's evaluation of this advisory business.

## Item 4 Other Business Activities

Shawn Connolly has a financial affiliated business as an insurance agent with Connolly Insurance Group. Approximately 50% of his time is spent on these activities. He will offer clients services from those activities. As an insurance agent, he may receive separate yet typical compensation. These practices represent conflicts of interest because it gives an incentive to recommend products based on the commission amount received. This conflict is mitigated by disclosures, procedures and the firm's fiduciary obligation to place the best interest of the client first. Clients are never required to purchase any products. Clients have the option to purchase these products through another insurance agent of their choosing.

## Item 5 Additional Compensation

Shawn Connolly receives commissions on the insurance he sells. He does not receive any performance-based fees. Mr. Connolly may receive certain benefits from Abraham & Co. based on achieving certain production thresholds. These thresholds are not based on the sale of any specific product or specific product type. These incentives include marketing assistance, access to technology, office support, and business trainings and trips. While some of these benefit the client, such as technology and training, some do not. This creates a conflict of interest because it gives an incentive to the representative to meet this threshold. This conflict is mitigated by disclosures, procedures and the firm's fiduciary obligation to place the best interest of the Client first. Clients are not required to use Abraham & Co.

## Item 6 Supervision

Shawn Connolly is dually licensed as an *Investment Adviser Representative* with two firms. He is the sole owner, manager, *Chief Compliance Officer & Investment Adviser Representative* of *Connolly Wealth Management* ("CWM"), an unaffiliated Texas *Registered Investment Adviser*. He has substantial managerial and regulatory experience and is solely responsible for the supervision, formulation and monitoring of investment advice offered to clients. He will adhere to the policies and procedures as described in CWM's Compliance Manual as well as all applicable

portions of the Abraham & Co. *Written Supervisory Procedures* governing his advisory business with his clients. He can be reached at: shawn@connollyfgllc.com or at: 512-419-1893. Kye Abraham, *Chief Compliance Officer* is responsible for supervising Mr. Connolly's activities involving Abraham & Co. client accounts.

In the supervision of its associated persons, advice provided is limited based on the written restrictions by Abraham & Co., Inc. as set forth in its *Written Supervisory Procedures* and by internal decisions communicated in writing by the Firm's Chief Compliance Officer regarding client and public communications, and the types of investments that may be included in client portfolios. The Firm conducts periodic reviews of client holdings and documented suitability information to provide reasonable assurance that the advice provided by its supervised persons remains aligned with each client's stated investment objectives and with the Firm's policies and procedures. Mr. Connolly has agreed to adhere to, and comply with, these restrictions and internal decisions.

## **Item 7 Requirements for State Registered Advisers**

*This disclosure is required by state securities authorities and is provided for your use in evaluating this investment adviser representative's suitability.*

### **A. Shawn Lawrence Connolly has NOT been involved in any of the events listed below;**

1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:
  - (a) an investment or an investment-related business or activity;
  - (b) fraud, false statement(s), or omissions;
  - (c) theft, embezzlement, or other wrongful taking of property;
  - (d) bribery, forgery, counterfeiting, or extortion; or
  - (e) dishonest, unfair, or unethical practices.
  
2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
  - (a) an investment or an investment-related business or activity;
  - (b) fraud, false statement(s), or omissions;
  - (c) theft, embezzlement, or other wrongful taking of property;
  - (d) bribery, forgery, counterfeiting, or extortion; or
  - (e) dishonest, unfair, or unethical practices.

### **B. Shawn Lawrence Connolly has NOT been the subject of a bankruptcy petition.**