

Item 1 – Cover Page

Abraham & Co., Inc.

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CRD #13498

Client Information Brochure ADV Part II A

March 7, 2018

This Client 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. 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 Washington State Registered Investment Adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser 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. is also available on the Company's website: www.abrahamco.com or the SEC's website at www.adviserinfo.sec.gov. Information about Abraham & Co. investment advisers and their securities industry status may also be found on the FINRA website: <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/>

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 January 18, 2018, was prepared according to, and complies with, these SEC rules. This updated Brochure replaces all previous versions of Abraham & Co.’s Form ADV specifically, the three most recent Forms dated February 3, 2017, September 30, 2015, and March 9, 2015.

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).

In the past, we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business fiscal year or the date of the material changes, whichever occurs first.

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

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: abeco@abrahamco.com

Additional information about Abraham & Co., Inc. is also available via the SEC’s web site 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 of Abraham & Co., Inc.

The Material Changes Since Previous Version(s) of Form ADV involve the following:

Abraham & Co. will, until further notice, continue its current custodial relationship with Hilltop Securities, Inc. of Dallas, TX (“Hilltop”) for the Firm’s IA clients and their accounts. Hilltop is also the Firm’s fully-disclosed clearing agent for commission-based brokerage customers. It was previously anticipated (in 2017) that the Firm would gradually migrate all of its IA client accounts to Interactive Brokers, LLC of Greenwich, CT (“IB”) and terminate its custodial and clearing services arrangement with HILLTOP in favor of IB’s more technologically advanced custodial and trading platforms.

With HILLTOP recent efforts to upgrade its custodial and clearing systems, it has been decided

it would be in the best interests of the Firm and its clients (less disruptive) to continue its decades long relationship with HILLTOP. The Firm will however continue to maintain its contractual relationship with IB in the event that alternative custodial services are required in the future.

About Interactive Brokers, LLCs: *Over the last 40 years, Interactive Brokers has grown to become one of the premier securities firms with over \$5 billion in equity capital. Interactive Brokers conducts its broker/dealer and proprietary trading businesses on over 100 market destinations worldwide. In its broker dealer agency business, IB provides direct access ("on line") trade execution and clearing services to institutional and professional traders for a wide variety of electronically traded products including stocks, options, futures, forex, bonds, CFDs and funds worldwide. Interactive Brokers Group and its affiliates execute nearly 1,000,000 trades per day.*

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Item 4 – Advisory Business

Abraham & Co., Inc. has been in business as a full-service FINRA member firm since 1983 and as Registered Investment Advisor since 2000. The Firm is managed and owned solely by its founder, Kye Abraham. The Firm manages accounts for its advisory clients (“IA accounts” or “IA clients”) on a discretionary basis and is compensated by fees which are based upon the value of the accounts, including cash balances, each quarter. Advisory clients are billed quarterly, in advance, after receiving a statement of charges directly from the custodian during the first month of each calendar quarter. The fee schedule is described elsewhere in this document. The minimum dollar amount required for an advisory account is \$50,000.

Abraham & Co., Inc. tailors advisory accounts/services to the specific needs, suitability and stated objectives of its clients. The Firm has discretionary authority to select, buy, sell, determine amounts/allocations of securities for its advisory clients consistent with the terms of the Private Asset Management Agreement (“PAMA”) it maintains with each of its advisory clients. Abraham maintains its IA client accounts with Hilltop Securities, Inc. (“Hilltop”). Abraham currently clears all of its securities transactions on a “fully disclosed” and “agency” basis through its clearing agent and IA custodian, Hilltop Securities Inc. in Dallas, TX or, in the event the Firm changes its custodian, Interactive Brokers. Abraham neither accepts nor receives cash or securities directly from its clients. ***Abraham & Co. does not accept client assets. All funds and securities for all Abraham clients are sent directly to the custodian holding the client’s account by the client. Any cash or securities requested by or delivered to clients are sent directly from the custodian.*** There are no incentives or undisclosed compensation offered to Abraham by Hilltop or IB (transaction fees, products, research or services) that influences Abraham to maintain client accounts or clear its client transactions. Abraham believes that the services and transaction costs charged to Abraham and its clients by both Hilltop and IB are reasonable and competitive with industry standards. As of January 15, 2018, the Firm manages discretionary accounts approximating two million dollars. The Firm does not manage non-discretionary accounts through its advisory business.

Item 5 – Fees and Compensation

Abraham will provide clients with discretionary investment services including investment, reinvestment, portfolio management and reviews of the assets contained in the client’s account(s).

Transaction Fees:

Unless specifically waived in the *PAMA*, transaction fees (commissions or custodial fees) incurred by Abraham for clearing or custodial services provided to/for IA accounts by either Hilltop or IB will be charged to IA clients as follows:

Common Stocks (listed and OTC) American Depository Receipts; Closed-end Mutual	\$30 per transaction
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Funds; REITS	
Bonds (Government, Government Agency, Corporate & Municipal); Preferred Stocks; Mortgage Backed Securities	\$50 per transaction
Initial purchases and redemptions (full and partial) of selected open-end mutual funds available to PAMA accounts; (list provided upon request)	\$10 per transaction
Additional purchases in open-end mutual funds already owned; Exchanges between open-end funds within the same family of funds; Systematic purchases and withdrawals	\$1.50 per transaction
Private Placements	Determined by Issuer

Abraham will not mark-up or add additional fees for these services. These fees are determined by the custodian or clearing agent providing the services. They may be adjusted by the service provider (either higher or lower) from time to time. Abraham will be compensated only for discretionary investment management services on an “annual fee basis” at the rates set forth below.

Account Advisory-Management Annual Fee (Maximum-Not to Exceed):

Annual Fee for IA Account Management (Billed Quarterly)	Percentage of IA Account Assets (Cash & Securities)
\$50,000-249,999	2.50%
\$250,000-499,999	2.25%
\$500,000-999,999	2.00%

IA Account Advisory Fee (“Management Fee”) will be billed to clients directly by the custodian(s) and payable on a calendar quarterly basis. Fees will be calculated based upon the market value of securities and cash balances (including margin debits) on the last day of the previous quarter. Each quarterly payment will be due and payable during the first month of the calendar quarter to which it relates. Cash and money market investments will be included in the determination of the account value. The fee for the quarter in which the account is established will be prorated based on the number of days remaining in the 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 client agreement.

All fees paid to Abraham will be reported to clients on a statement of advisory fees which will be prepared and supplied to clients by Abraham & Co.’s clearing agent or custodian,

Hilltop Securities, Inc. or Interactive Brokers, LLC, depending on which firm holds the IA client account. Should any client terminate the agreement 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. Abraham will refund to the client the pro rata portion of the advisory fees billed, but not yet earned, for the quarter in which an account is terminated. Transaction 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 without payment of any fee or penalty for Abraham & Co.'s services.

Negotiability-Management & Transaction 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 management services (by Abraham) or the incurring of any related fees in connection therewith.

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* (account agreement) is terminated or modified in writing by both Abraham and the client.

Fees Charged for "Minimum Accounts" (\$50,000-\$249,999) Exceed SEC

Recommendations: The fees (2.5%) charged by Abraham for accounts valued at less than \$250,000 exceed those recommended by the SEC in their "No-Action Letter - Consultant Publications, Inc. (12/30/1974). The Letter states... *"With respect to the size of investment advisory fees, it is our position that an annual investment advisory fee of more than 2% of assets under management is higher than that normally charged by persons in the investment advisory industry and that an investment advisor who charges more than 2% would be violating the antifraud provisions of Section 206 unless he discloses to existing and potential clients that his fee is higher than that normally charged in the industry and that other investment advisers provide the same or similar service at lower rates..."*

Abraham believes that this elevated level of fees for minimum accounts may be justified by its active management style. Since these accounts, like the larger ones, generally consist of a portfolio of specific securities, not managed mutual funds as is often the case with accounts of limited size, Abraham generally expends more management time (on a relative basis) on smaller accounts than larger ones. Achieving competitive rates of return in accounts of limited size, while attempting to appropriately manage risk through active asset allocation, is generally more difficult and requires more time than normally required by accounts with a larger asset base. For these reasons the industry does not normally

engage in "active asset management" of the type Abraham provides for accounts of this size. Usually mutual funds, requiring a more passive and less time-consuming management approach, are customarily used with accounts of this size. Abraham believes that its "active management" style generally produces better returns, and better performance potential, than most mutual funds, which usually mirror general market performance. Depending on market conditions at any given time, this may or may not prove to be accurate.

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 fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange-traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of, and in addition to, Abraham & Co.'s fee. Abraham shall not receive or mark-up any of these commissions, fees, and costs.

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 IA account).

Item 7 – Types of Clients

Abraham provides, or may provide, portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, Taft-Hartley plans, charitable institutions, foundations, endowments, municipalities, registered mutual funds, private investment funds, trust programs, sovereign funds, foreign funds such as UCITs and SICAVs, and other U.S. and international institutions.

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, 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. 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 based on Risk Tolerance & Suitability

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 set-backs 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 well as ETFs, 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 set-backs 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 risks and

Item 9 – Disciplinary Information

There have been no disciplinary actions taken by any regulatory authorities against Abraham & Co. or any of its employees over the past twenty-five years. Neither Abraham & Co. nor any of its employees have been charged with, or adjudged guilty of, misconduct, gross negligence, felonies or misdemeanors by any court, industry-recognized adjudicator or regulatory authorities.

Item 10 – Other Financial Industry Activities, Affiliations, and Potential Conflicts-of-Interest

Abraham & Co., Inc. maintains regular brokerage accounts for clients who are not necessarily “advisory clients.” Compensation for this activity is transaction or commission based. Abraham & Co. occasionally provides consulting, management, or administrative services to affiliates and others for a fee. These services may or may not include investment advice.

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 provides certain office and administrative services to LKA for substantial monthly fees. IA clients 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 and on the SEC website at www.sec.gov

Under certain circumstances, depending on client suitability, objectives, and risk tolerance, Abraham & Co. will recommend and purchase the securities of LKA Gold Incorporated (or other entities in which Mr. Abraham or Abraham & Co. have an interest) for its advisory client accounts. In these cases, IA clients are advised that an inherent conflict-of-interest may exist and that Abraham will endeavor to protect client interests (to the extent reasonably possible within general securities industry standards) by prioritizing client buy/sell orders over those of Abraham, Abraham family members, and any affiliates under its control. Client objectives, risk tolerance and overall suitability will be determining

factors in any decision to purchase or sell LKA Gold securities for IA accounts. Disclosure of this potential and inherent conflict-of-interest will be made to advisory clients prior to any purchases of LKA securities via the “*Customer Authorization to Purchase or Sell Penny Stocks Pursuant to SEC Rule 15g-9*” form. This form, entitled “*Penny Stock Authorization Form*,” is available on the *Client Resources* page of the Abraham & Co. website at: <https://abrahamco.com/client-resources/> Client acknowledgment of this potential conflict and approval for transactions in LKA securities will be indicated by client’s signature on this form prior to any transactions involving LKA stock purchases or sales. Abraham executes these orders on an “agency” basis only and does not act a “principal” or “market maker.” The common stock of LKA is publicly traded on the OTC Markets under the symbol “LKAI” and considered a risky and speculative investment.

Abraham & Co. does not accept fees or services from other investment advisers or broker/dealers for managing client accounts nor does Abraham & Co. accept or pay referral fees.

Abraham & Co. & Co., Inc. is a FINRA Broker Dealer and a member of the Securities Investor Protection Corporation “SiPC.”

Item 11 – Code of Ethics

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. anticipates that, in only appropriate circumstances, consistent with clients’ investment objectives and or stated direction, it will cause accounts over which Abraham & Co. has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Abraham & Co., its affiliates and/or clients, directly or indirectly, have a position of interest. Abraham & Co.’s employees and persons associated with Abraham & Co. are required to follow Abraham & Co.’s *Code of Ethics*. Subject to satisfying this policy and applicable laws, officers, directors and employees 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 & Co.'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 is continually monitored to reasonably identify and prevent conflicts of interest between Abraham & Co. and its clients.

Abraham & Co.'s 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., through its Principal, Kye Abraham, is affiliated with LKA Gold Incorporated. The securities of LKA are considered "*speculative*" and may be offered or purchased for advisory clients depending upon client suitability, authorization and objectives. LKA is an "advisory client" of Abraham & Co. (See Item 10 – Other Financial Industry Activities and Affiliations & Potential Conflicts-of-Interest).

Abraham & Co., Inc. 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 & Co. by Hilltop or IB (products, research or services) that influences Abraham & Co. to clear or maintain its client accounts or transactions through either Hilltop or IB. Abraham & Co. believes that the services and transaction costs charged to its clients by IB and Hilltop are reasonable and competitive with industry standards.

Item 12 – Brokerage Practices

Abraham & Co., Inc. has discretionary authority to select, buy, sell, and determine amounts/allocations of securities for its advisory clients consistent with the terms of the private asset management agreements it maintains with each of its advisory clients. Abraham & Co. clears all of its IA securities transactions on a “fully disclosed” basis through its clearing agent, Hilltop Securities or its alternative IA account custodian, Interactive Brokers...depending on which firm holds the IA client account(s) in which the transaction(s) are executed. Abraham & Co. accepts/receives no cash or securities from its clients. All funds and securities for all Abraham & Co. clients are, and must be, sent directly to either Hilltop or IB by the client. Any cash or securities required by clients are sent directly to clients by either Hilltop or IB. There are no incentives, sometimes described as “soft dollars” (products, research or services) offered to Abraham & Co. by Hilltop or IB that influences Abraham & Co. to clear its client transactions or hold its IA accounts. Abraham & Co. believes that the services and transaction costs charged to its clients by Hilltop and IB are reasonable and competitive with industry standards.

Item 13 – Review of Accounts

Client accounts will be reviewed at least quarterly. 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.

Detailed account statements (prepared exclusively by the IA account custodian) which show account asset prices, activity, and measure account performance during the quarter will be sent to directly to all clients on 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 & Co.’s clearing agent, Hilltop Securities, Inc. or Interactive Brokers. Abraham & Co. is not involved in the preparation of these statements or the pricing of any IA account assets.

Item 14 – Client Referrals and Other Compensation

Abraham & Co. does not accept fees or services from other investment advisers or broker/dealers for managing client accounts nor does Abraham & Co. accept or pay management or client referral fees.

Item 15 – Custody

Custody of all clients assets covered by Abraham’s IA 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’s investment assets. Statements from different custodians (prepared by 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.

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”) to select the identity and 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.

When selecting securities and determining amounts, Abraham & Co. observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions as set forth in the *New Account Form* and the *PAMA* must be provided to client by prior to any investment activity. If the client desires additional restrictions or guidelines for the management of the account which are not covered by these forms/agreements they must be provided in writing, in advance, by the client and approved by Abraham & Co. Clients are advised that in the case purchases of securities are made in entities affiliated with Abraham & Co., prior disclosure will be made in writing and acknowledgement received from client.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, Abraham & Co. does not 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.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide advisory clients with certain financial information or disclosures concerning 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 audited 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 & Co., Inc.

(253) 851-7486

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CRD #13498

Client Information Brochure Supplement ADV Part II B

Kye A. Abraham

Investment Adviser Representative

CRD #872944

This Brochure Supplement provides information about Kye Abraham 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 and on the SEC's website at www.adviserinfo.sec.gov or the FINRA website at: <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/>

Item 2- Educational Background and Business Experience

Abraham & Co., Inc. requires that all individuals engaged in advising clients 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.

Kye A. Abraham D.O.B. 9/14/58

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

Business Background - Licensed as an SEC Registered Representative (Series 7) in 1979, Mr. Abraham has considerable experience in many areas of the Securities Industry. In 1982 Mr. Abraham founded Abraham & Co., Inc. Since its formation, the Company has engaged in numerous venture capital arrangements with early stage (growth) companies and sponsored several private placements of equity and limited partnership interests. These venture capital arrangements involved a variety of businesses such as, wireless communications (cellular and SMR) oil & gas drilling, mining and technology research/development. In many cases, these funding activities involved LKA Gold Incorporated, an affiliated company (see description below). Abraham and Co. and Kye Abraham were licensed as a WA State Registered Investment Advisor and Investment Advisor Representative in 2000 and currently manage assets (investment portfolios) on a discretionary basis for the Company's clients. Mr. Abraham is responsible for all such activities including establishment of accounts, asset allocation, investment selection, account management and review. Mr. Abraham's other "Industry Examinations/Designations" include: Series 7, Series 24, Series 28, Series 63 and Series 65. Mr. Abraham also holds a Washington State "Life & Variable" insurance license.

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

Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. ****No information is applicable to this Item.

Complete securities industry background 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 co-founded LKA Gold Incorporated (an affiliate of Abraham & Co., Inc.) in 1979 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 "LKAI." 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 stock) 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.

Under certain circumstances, depending on client suitability and objectives, Abraham & Co. will recommend and purchase the securities of LKA Gold Incorporated (or other entities in which Mr. Abraham or Abraham & Co. have an interest) for its advisory clients. Any such recommendations or purchases will be accompanied by, or preceded by, a disclosure (*Penny Stock Authorization Form*) describing Mr. Abraham's interest(s) and/or affiliations with such entities and ownership of securities. In these instances, Mr. Abraham may have a considerable and inherent "conflict-of-interest" and will endeavor to disclose the nature of any such conflict to all advisory clients prior to recommendation or purchase of these securities. See further details under *ADV Part II A Item 10*.

Item 5 - Additional Compensation

No information is applicable to this Item

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 insure compliance with the Firm's FINRA required, Written Supervisory Procedures and Washington State Investment Adviser regulations. 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 IA accounts, reviewing trade blotters, reviewing updates to account objectives, suitability, and risk tolerance to ensure appropriate investments and strategies for IA 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 client email correspondence and client requests.

Item 7 - Requirements for State-Registered Advisers

A. In addition to the events listed in Item 3 of this Part II B, if the supervised person has been involved in one of the events listed below, such person shall disclose all material facts regarding the event, including:

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 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.

B. If the supervised person has been the subject of a bankruptcy petition, disclose that fact, the date the petition was first brought, and the current status.

***Concerning the above required disclosures, there are no events to report for Abraham and/or any of its advisors.