

## DeFelice Capital Management LLC - March 2022

### Form Customer Relationship Summary (CRS)

#### **Item 1. Introduction:**

[A] DeFelice Capital Management LLC is registered with the Securities and Exchange Commission (SEC) as an investment adviser. More information about us as well as other advisers is available at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Brokerage and investment advisory services and fees differ and it is important for the *retail investor* to understand the differences.

[B] Free and simple tools are available to research our firm (and others) as well as individuals, at [Investor.gov/CRS](http://Investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

#### **Item 2. Relationships and Services:**

[A] “What investment services and advice can you provide me?”:

[B] Description of Services: We offer investment advisory services and financial planning services. Initially, DCM offers the same suite of services to all prospective Investment Management Clients. DCM invests, on a discretionary basis, Client Accounts in stocks, bonds, open and closed-end mutual funds, ETF's, warrants, preferred stock and most any other type of investment that is, or may be, traded on an exchange. Typically, portfolios are concentrated in a limited number of domestic, large capitalization companies. For Financial Planning Clients, we seek a rational allocation of stocks, bonds, cash, real estate and other investments that will help a Financial Planning Client achieve goals in advance of and during retirement.

- (i) Monitoring: As part of our standard service, we monitor accounts continuously.
- (ii) Investment Authority: We do not invest Investment Management Accounts based on Client pre-approval of each purchase or sale (i.e. on a non-discretionary basis), but rather, we choose the investments without input from Clients (i.e. discretionary). Financial Planning Clients, however, are the ultimate decision makers regarding the purchase or sales of securities.
- (iii) Limited Investment Offerings: We do not offer advice only with respect to proprietary products or a limited menu of products or types of investments.
- (iv) Account Minimums and Other Requirements: Generally, we require that Clients maintain \$250,000 under management with us. However, we may waive that minimum at our sole discretion.

[C] **Additional Information**: More detailed information about our services can be found in our Form ADV, Part 2A brochure (specifically, Items 4 and 7).

[D] **Conversation Starter**: A retail investor should ask a financial professional, offering advice and services such as we offer, the following questions regarding relationships and services before opening an account with an advisory firm such as DCM: (i) “Given my financial situation, should I choose an investment advisory service? Why or why not?” (ii) “How will you choose investments to recommend to me?” and (iii) “What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?”

#### **Item 3. Fees, Costs, Conflicts, and Standard of Conduct:**

[A] **What fees will I pay?:**

- (i) Description of Principal Fees and Costs: The only fee paid to us for an Investment Management account is 1% per year of assets under management, paid quarterly and in arrears. With limited exceptions, you must agree to have this fee deducted directly from your account. For Financial Planning clients, the fee is .35% per year, charged semi-annually and in arrears. This fee is not deducted from your account. Fees are negotiable. Because both types of fees we charge are based on the value of your assets that we advise, we may have an incentive to encourage you to increase the assets in your account or financial plan. Additional information and detail is available in our ADV, Part 2A brochure (specifically Items 5.A & 5.B).
- (ii) Description of Other Fees and Costs: In addition to the fees paid to us as described in Item 3.A.(i), an account with us will likely cause you to pay other customary and reasonable fees such as: custodian fees, brokerage fees, fees related to mutual funds and ETF's, account maintenance fees, and other transactional fees and product-level fees. Additional information and detail is available in our ADV, Part 2A brochure (specifically Items 5.C & 5.D).

- (iii) *Additional Information:* You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.
- (iv) *Conversation Starter:* A retail investor should ask a financial professional offering advice and services such as we offer the following question to start a conversation about the impact of the fees and costs on investments: “Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?”

[B] **“What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?”:**

- (i) *Standard of Conduct:* **When we act as your investment advisor**, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you.
- (ii) *Examples of Ways We Make Money and Conflicts of Interest:* The only way we make money if you engage our firm for Investment Management or Financial Planning services is described above in Item 3.A.(i). Here is an example of a conflict of interest that might exist between you and us: You may be able to find other advisors that charge lower fees than we do. If the future performance of another advisor is the same as our future performance, but the advisor charges a lower fee, your account would have been worth more had your account been with the other advisor. All things being equal, we have an interest in charging you a higher fee and you have an interest in being charged a lower fee – these opposed interests create a theoretical conflict between us.
- (iii) *Conversation Starter:* “How might your conflicts of interest affect me, and how will you address them?”
- (iv) *Additional Information:* Additional information about possible conflicts of interest between you and us is available in our ADV, Part 2A brochure (specifically Items 4.B, 8.C, 10 & 17).

[C] **“How do your financial professionals make money?”:**

- (i) *Description of How Financial Professionals Make Money:* Financial Professionals in our firm are compensated as described in Item 3.A.(i) above. The theoretical conflicts of interest this method of compensation may create are described above in Item 3.B.(ii).
- (ii) *Required Topics in the Description:* Financial Professionals in our firm are compensated based on the amount of client assets serviced for Investment Management & Financial Planning. Additional information and detail is available in our ADV, Part 2A brochure (specifically Items 5.A & 5.B).

#### **Item 4. Disciplinary History:**

[A] **“Do you or your professionals have legal or disciplinary history?”:**

[B] **Answer: No** we do not. As fully disclosed in our ADV, Part 2A brochure (specifically Item 9), neither our firm nor any of its current or past employees have any legal or disciplinary history.

[C] **Additional Information for Researching Legal and Disciplinary History of Financial Professionals like us:**

- (i) *Search Tool:* Visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research our firm and our financial professional as well as any other firm and its financial professionals.
- (ii) *Conversation Starter:* “As a financial professional, do you have any disciplinary history? If so, for what type of conduct?”

#### **Item 5. Additional Information:**

[A] You may find additional information about our firm at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) where you can use our firm CRD number, 120029, or our firm name to find a copy of our ADV, Part 2A brochure as well as a copy of this form CRS.

[B] You may also telephone our firm at (646) 833-7684 to request an up-to-date copy of these documents.