

**Part 2A of Form ADV: *Firm Brochure***

**Main Street Advisors, LLC**

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03/17/2023

This brochure provides information about the qualifications and business practices of Main Street Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 410-840-9200 or [dpeloquin@mainstadvisors.com](mailto:dpeloquin@mainstadvisors.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.

Additional information about Main Street Advisors, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 121797.

Registration as an investment adviser does not imply a level of skill or training.

## Item 2 Material Changes

This Firm Brochure, dated 03/17/2023, provides you with a summary of our advisory services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest, among other things. This Item is used to provide our clients with a summary of new and/or updated information; we will inform of the revision(s) based on the nature of the information as follows.

Annual Update: We are required to review certain information at least annually, within 90 days of our firm's fiscal year end (FYE) of December 31. We will provide you with either a summary of the revised information with an offer to deliver the full revised Brochure within 120 days of our FYE or we will provide you with our revised Brochure that will include a summary of those changes in this Item.

Material Changes: Should a material change in our operations occur, depending on its nature we will promptly communicate this change to clients (and it will be summarized in this Item). "Material changes" requiring prompt notification will include changes of ownership or control; location; disciplinary proceedings; significant changes to our advisory services or advisory affiliates – any information that is critical to a client's full understanding of who we are, how to find us, and how we do business.

The following summarizes new or revised disclosures based on information previously provided in our Firm Brochure dated 09/30/2022:

- Item 4: Added our firm's discretionary and non-discretionary assets under management as of December 31, 2022.

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## **Item 4 Advisory Business**

Main Street Advisors, LLC is a state-registered investment adviser with its principal place of business located in Maryland. Main Street Advisors, LLC began conducting business in 1999.

Discretionary assets under our firm's management were \$45,703,219 as of December 31, 2022. Non-discretionary assets under our firm's management were \$0 as of December 31, 2022.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- David Richard Peloquin, President & Managing Member

Main Street Advisors, LLC offers the following advisory services to our clients:

### **INVESTMENT MANAGEMENT SERVICES ("IMS") MODEL PORTFOLIO MANAGEMENT**

Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy and create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Corporate debt securities (other than commercial paper)
- Certificates of deposit
- Municipal securities
- Closed-end mutual funds
- Open-end mutual funds ("no-load funds")
- United States governmental securities
- Interests in partnerships investing in oil and gas interests

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability. The general asset allocation models employed by Main Street Advisors, LLC are:

**Balanced Growth & Income** (60% equities/40% fixed income) - This model is intended to have a risk and return profile similar to that of most pension plans. While never guaranteed we expect this model's average annual rate of return to approximate 6% net of fees. We also estimate its maximum three-month decline to be -16%.

**Moderate Growth & Income** (40% equities/60% fixed income) - This model is intended to have a lower risk and return profile than the Balanced Growth & Income model. While never guaranteed we expect this model's average annual rate of return to approximate 5% net of fees. We also estimate its maximum three-month decline to be -10%.

**Capital Growth & Income** (80% equities/20% fixed income) - This model is intended to have a higher risk and return profile than the Balanced Growth & Income model. While never guaranteed we expect this model's average annual rate of return to approximate 7% net of fees. We also estimate its maximum three-month decline to be -23%.

**Conservative Growth & Income** (20% equities/80% fixed income) - This model is intended to have a much lower risk and return profile than the Balanced Growth & Income model. While never guaranteed we expect this model's average annual rate of return to approximate 4% net of fees. We also estimate its maximum three-month decline to be -5%.

**Aggressive Growth** (Primarily all equities) - This portfolio is a fully invested, global stock portfolio. The volatility of the portfolio's returns will be as wide as the equity markets. Along with higher risk, we expect higher long-term returns than what are available from our other, less aggressive models. This portfolio is appropriate for investors with a long-time horizon and no concerns about short-term risk.

Clients retain individual ownership of all securities.

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

To ensure that our initial determination of an appropriate portfolio remains suitable and that the account continues to be managed in a manner consistent with the client's financial circumstances, we will:

1. at every opportunity have our clients provide any updated information regarding changes in his/her financial situation and investment objectives;
2. at least annually, contact each participating client to determine whether there have been any changes in the client's financial situation or investment objectives, and whether the client wishes to impose investment restrictions or modify existing restrictions;
3. be reasonably available to consult with the client; and

4. maintain client financial information in each client's file.

## **FINANCIAL PLANNING**

We provide financial planning services. Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service receive a written report which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives.

In general, the financial plan can address any or all of the following areas:

- ▢ **PERSONAL:** We review family records, budgeting, personal liability, estate information and financial goals.
- ▢ **TAX & CASH FLOW:** We analyze the client's income tax and spending and planning for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.
- ▢ **INVESTMENTS:** We analyze investment alternatives and their effect on the client's portfolio.
- ▢ **INSURANCE:** We review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- ▢ **RETIREMENT:** We analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- ▢ **DEATH & DISABILITY:** We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.
- ▢ **ESTATE:** We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid and elder law.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a written report. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion.

We also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning and business planning.

- ▢ Exchange-listed securities
- ▢ Securities traded over-the-counter
- ▢ Corporate debt securities (other than commercial paper)

- Certificates of deposit
- Municipal securities
- Closed-end mutual funds
- Open-end mutual funds (“no-load funds”)

Typically the financial plan is presented to the client within two (2) months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided.

Financial Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature.

## Item 5 Fees and Compensation

### **INVESTMENT MANAGEMENT SERVICES ("IMS") MODEL PORTFOLIO MANAGEMENT FEES**

The annualized fee for Investment Management Services are charged as a percentage of assets under management, according to the following schedule:

<u><b>Assets Under Management</b></u>	<u><b>Annual Fee</b></u>
Up to \$249,999	1.50% annually, due/payable qtrly
\$250,000-\$499,999	1.25% annually, due/payable qtrly
\$500,000 and above	1.00% annually, due/payable qtrly

A minimum of \$200,000 of assets under management is required for this service, which includes recommendations for individual securities in addition to mutual funds and exchange-traded funds (ETFs). This account size may be negotiable under certain circumstances. Main Street Advisors, LLC may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee. Fees are collected in advance as of the last day of each calendar quarter (e.g., March 31, June 30, September 30, December 31).

Main Street Advisors, LLC's advisory fees may be negotiated based on several factors at our sole discretion, including, but not limited to, the size of the client's account, the extent of services to be provided by Main Street Advisors, LLC to the client, and the complexity of their financial planning situation.

### **FINANCIAL PLANNING FEES**

Main Street Advisors, LLC's Financial Planning fee is determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

Most of our Financial Planning fees are calculated and charged on a fixed fee basis, ranging from \$295 to \$2,395, depending on the specific arrangement reached with the client.

Some of our Financial Planning fees are calculated and charged on an hourly basis, ranging from \$90 to \$150 per hour. Although the length of time it will take to provide a Financial Plan

will depend on each client's personal situation, we will provide an estimate for the total hours at the start of the advisory relationship.

Financial planning structure:

<u>Financial Consultation</u>	\$995.00
*90 minute meeting	
*Follow up letter	
*Discussion of top 3 concerns	
*This service is a general overview and not an in-depth analysis, as compared to our stand-alone MoneyGuide Pro offering or Social Security Analyzer solution. If clients request this higher-level planning, the standalone pricing will be applied.	
<u>Comprehensive plan (Retirement+Estate)</u>	\$2,395.00
<i>(First half paid at time of agreement and remainder paid at completion)</i>	
<u>College Zoomer</u>	\$495.00
<u>Retirement Zoomer</u>	\$1,295.00
<u>Social Security Analyzer</u>	\$295.00
<u>Monthly Subscription Service</u>	\$59.95/month
<i>(Trailblazer program)</i>	

The first half of the Financial Planning fee to be paid at the time of engagement and the remainder due at Plan completion. Advance payment will never exceed \$500 for work that will not be completed within six months. The balance is due upon completion of the plan.

Monthly subscription fees are recurring and invoiced the 15<sup>th</sup> of every month. The 1<sup>st</sup> month will be pro-rated based on engagement date. For clients who have previously or are currently utilizing our Financial Consultation services, we offer two complimentary months of the subscription service. We utilize Advice Pay for the administration and processing of these fees. Fees can be paid using credit card or ACH. Advice Pay's system is designed to maximize data security at every level of payment processing. For more information visit <https://advicepay.com/features/data-security>.

**Financial Planning Fee Offset:** Main Street Advisors, LLC reserves the discretion to reduce or waive the hourly fee and/or the minimum fixed fee if a financial planning client chooses to engage us for our Portfolio Management Services.

## GENERAL INFORMATION

**Termination of the Advisory Relationship:** A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

**Mutual Fund Fees:** All fees paid to Main Street Advisors, LLC for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

**Additional Fees and Expenses:** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

When clients inevitably pass away, MSA endeavors to do whatever we can to assist executors and family members with the various steps that need to be taken and tasks that must be completed during this potentially difficult period of time (typically at least nine months). However, due to the amount of time and company resources required to facilitate this administrative workload, MSA reserves the right to possibly charge a fee for these services. These include, but are not limited to: obtaining certain documents such as the death certificate or trustee certification if accounts were held in a trust; closing out accounts and establishing new ones; coordinating with the deceased client's other trusted advisors such as their CPA or attorney; establishing estate accounts and obtaining a tax identification number (TIN); working with custodians to ensure everything is set up and titled properly and that all appropriate forms have been completed. If deemed appropriate, an estimate will be provided to the executor or family member in advance.

**Grandfathering of Minimum Account Requirements:** Pre-existing advisory clients are subject to Main Street Advisors, LLC's minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients.

**Advisory Fees in General:** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

**Limited Prepayment of Fees:** Under no circumstances do we require or solicit payment of fees in excess of \$500 more than six months in advance of services rendered.

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

Main Street Advisors, LLC does not charge performance-based fees.

## **Item 7 Types of Clients**

Main Street Advisors, LLC provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Corporations or other businesses not listed above

As previously disclosed in Item 5, our firm has established certain initial minimum account requirements, based on the nature of the service(s) being provided. A minimum of \$100,000 of assets under management is required for portfolio management services.

For a more detailed understanding of those requirements, please review the disclosures provided in each applicable service.

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

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

**Fundamental Analysis.** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the

overall market regardless of the economic and financial factors considered in evaluating the stock.

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

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

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

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

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

## INVESTMENT STRATEGIES

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

**Long-term purchases.** We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

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

**Risk of Loss.** Investing in securities involves risk of loss that clients should be prepared to bear. Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

### Item 9 Disciplinary Information

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

Our firm and our management personnel have no reportable disciplinary events to disclose.

### Item 10 Other Financial Industry Activities and Affiliations

Notwithstanding the following several paragraphs, interested persons/potential new clients should be aware that Main Street Advisors, LLC exercised a provision in its "Financial Services Coordination Agreement" (dated 4/14/1999) with the accounting firm of Rager, Lehman & Houck, P.C. that ended our referral arrangement effective September 30, 2012. Our financial obligations continued through December 31, 2013. Other than for clients engaging Main Street Advisors' after October 1, 2012 there will be no changes to existing services.

**Third Party Managers:** Main Street Advisors, LLC does not recommend the services of third party managers.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

Main Street Advisors, LLC and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

Main Street Advisors, LLC's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [dpeloquin@mainstadv.com](mailto:dpeloquin@mainstadv.com), or by calling us at 410-840-9200.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees 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.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and

potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
4. Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.
5. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
6. We have established procedures for the maintenance of all required books and records.
7. Clients can decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.
8. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
9. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
10. We have established policies requiring the reporting of Code of Ethics violations to our senior management.

Any individual who violates any of the above restrictions may be subject to termination.

## **Item 12 Brokerage Practices**

We do not have any formal or informal soft-dollar arrangements and do not receive any soft-dollar benefits.

We do not request or accept the discretionary authority to determine the broker dealer to be used for client accounts. Clients must direct us as to the broker dealer to be used for all client securities transactions. In directing the use of a particular broker or dealer, it should be understood that we will not have authority to negotiate commissions among various brokers, and best execution may not be achieved, resulting in higher transaction costs for clients. *Not*

*all advisers require their clients to direct brokerage.*

Our firm participates in the Schwab Institutional (SI) services program offered to independent investment advisers by Charles Schwab & Company, Inc. ("Schwab"), an unaffiliated FINRA-registered broker dealer. Clients in need of brokerage and custodial services will have Schwab recommended to them. As part of the SI program, our firm receives benefits which are typically not available to Schwab retail investors.. These benefits include: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk serving SI participants exclusively; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; ability to have investment advisory fees deducted directly from client account; access, for a fee, to an electronic communication network for client order entry and account information; receipt of compliance publications; and access to mutual funds which generally require significantly higher minimum initial investments or are generally available only to institutional investors. The benefits received through participation in the SI program may or may not depend upon the amount of transactions directed to, or amount of assets custodied by, Schwab.

Schwab may also make available, arrange and/or pay third-party vendors for the types of services rendered to our firm. Schwab may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to our firm. Schwab may also provide other benefits such as educational events or occasional business entertainment of our personnel. As such, our firm receives a benefit because we may not have to pay for certain research, products or services. Accordingly, we may have an incentive to select or recommend a broker-dealer based on our interests in receiving research, products or other services, rather than on our clients' interests in receiving most favorable execution. In evaluating whether to recommend or require that clients custody their assets at Schwab, we may take into account the availability of some of the foregoing products, services, benefits and other arrangements as part of the total mix of factors we consider and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

Nonetheless, we have reviewed the services of Schwab and recommend the services based on a number of factors. These factors include the professional services offered, commission rates, and the custodial platform provided to clients. We will, however, periodically review and compare the services offered and fees charged by Schwab with the services offered and fees charged by other broker-dealers.

Should we decide to use another broker dealer to execute a client trade due to better availability, liquidity, or pricing, Schwab will charge an additional trade-away fee for each such trade. Therefore, we will only use this trade-away ability in situations with compelling financial reasons.

### Directed Brokerage

If a client, when undertaking an advisory relationship with our firm, already has a pre-established relationship with a broker and instructs us to execute all transactions through that broker, it should be understood that under those circumstances, we will not have the authority to negotiate commissions, obtain volume discounts and best execution may not be achieved. In addition, under these circumstances a disparity in commission charges may exist between

the commissions charged to other clients since our firm may not be able to aggregate orders to reduce transaction costs or the client may receive less favorable prices. We will review execution on a regular basis in compliance with our duty to seek best execution.

We reserve the right to decline acceptance of any client account for which the client directs the use of a broker if we believe that this choice would hinder its fiduciary duty to the client and/or its ability to service the account.

### Trade Aggregation

As a matter of policy and practice, our firm does not generally block client trades and, therefore, implements client transactions separately for each account. Due to this practice, certain client trades may be executed before others, at a different price and/or commission rate. Additionally, our clients may not receive volume discounts available to advisers to block client trades.

## **Item 13 Review of Accounts**

### **INVESTMENT MANAGEMENT SERVICES ("IMS") MODEL PORTFOLIO MANAGEMENT**

**REVIEWS:** While the underlying securities within Model Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least weekly and occasionally daily. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by: David R. Peloquin, CFP, President

**REPORTS:** In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer, we provide monthly and/or quarterly reports summarizing account performance, balances and holdings.

### **FINANCIAL PLANNING SERVICES**

**REVIEWS:** While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise contracted for.

**REPORTS:** Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for.

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

### **CLIENT REFERRALS**

Our firm may pay referral fees to independent persons or firms ("Solicitors") for introducing

clients to us. Whenever we pay a referral fee, we require the Solicitor to provide the prospective client with a copy of this document (our *Firm Brochure*) and a separate disclosure statement that includes the following information:

- the Solicitor's name and relationship with our firm;
- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee; and
- whether the fee paid to us by the client will be increased above our normal fees in order to compensate the Solicitor.

As of 3/06/2019, no referral arrangements exist between Main Street Advisors, LLC and any "solicitor."

As a matter of firm practice, the advisory fees paid to us by clients referred by solicitors are not increased as a result of any referral.

It is Main Street Advisors, LLC's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

## **Item 15 Custody**

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

We use the following safeguards per Code of Maryland Regulations:

1. We receive written authorization from the client to deduct advisory fees from the account held with a qualified custodian;
2. Each time a fee is directly deducted from a client's account, we concurrently (A) send the qualified custodian notice of the amount of the fee to be deducted from a client's account, and (B) sends the client an invoice itemizing the fee including the formula used to calculate the fee, the amount of assets under management upon which the fee is based, and the time period covered by the fee;
3. the custodian sends statements, on at least a quarterly basis, to the client showing all disbursements for the custodian account, including the amount of the advisory fees.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, we also send account statements directly to our clients on a monthly and/or quarterly basis. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

## **Item 16 Investment Discretion**

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

Main Street Advisors, LLC requires that it be provided with written authority to determine which securities and the amounts of securities that are bought or sold in a client's account.

Clients give us discretionary investment authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

## **Item 17 Voting Client Securities**

We vote proxies for all client accounts; however, you always have the right to vote proxies yourself. You can exercise this right by instructing us in writing to not vote proxies in your account.

We will vote proxies in the best interests of its clients and in accordance with our established policies and procedures. Our firm will retain all proxy voting books and records for the requisite period of time, including a copy of each proxy statement received, a record of each vote cast, a copy of any document created by us that was material to making a decision how to vote proxies, and a copy of each written client request for information on how the adviser voted proxies. If our firm has a conflict of interest in voting a particular action, we will notify the client of the conflict and retain an independent third-party to cast a vote.

Clients may obtain a copy of our complete proxy voting policies and procedures by contacting David R. Peloquin, CFP, President, by email, or in writing. Clients may request, in writing, information on how proxies for his/her shares were voted. If any client requests a copy of our complete proxy policies and procedures or how we voted proxies for his/her account(s), we will promptly provide such information to the client.

We will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

With respect to ERISA accounts, we will vote proxies unless the plan documents specifically reserve the plan sponsor's right to vote proxies. To direct us to vote a proxy in a particular

manner, clients should contact David R. Peloquin, CFP, President, by telephone, email, or in writing.

You can instruct us to vote proxies according to particular criteria (for example, to always vote with management, or to vote for or against a proposal to allow a so-called "poison pill" defense against a possible takeover). These requests must be made in writing. You can also instruct us on how to cast your vote in a particular proxy contest by contacting us at 877.840.9200.

## **Item 18 Financial Information**

Under no circumstances do we require or solicit payment of fees in excess of \$500 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

As an advisory firm that maintains discretionary authority for client accounts, we are also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. Main Street Advisors, LLC has no such financial circumstances to report.

Main Street Advisors, LLC has not been the subject of a bankruptcy petition at any time during the past ten years, nor has its principal ever been involved in a bankruptcy petition of any kind.

## **Item 19 Requirements for State-Registered Advisers**

The following individuals are the principal executive officers and management persons of Main Street Advisors, LLC:

- David R. Peloquin, President/Managing Member/Chief Compliance Officer

Information regarding the formal education and business background for Mr. Peloquin is provided in his respective Brochure Supplement.

Main Street Advisors, LLC is not engaged in any business activity other than giving investment advice.

Neither Main Street Advisors, LLC nor our supervised persons are compensated for advisory services with performance-based fees.

We are required to disclose all material facts regarding certain legal or disciplinary events pertaining to arbitration awards or other civil, regulatory or administrative proceedings in which our firm or management personnel were found liable or against whom an award was granted. Our firm and our management personnel have no reportable disciplinary events to disclose.

Neither Main Street Advisors, LLC nor our management personnel have a relationship or arrangement with any issuer of securities.

**Part 2B of Form ADV: *Brochure Supplement***

David Richard Peloquin  
205 East Main Street  
Westminster, MD 21158  
410-840-9200

Main Street Advisors, LLC  
205 East Main Street  
Westminster, MD 21157  
410-840-9200

04/13/2012

This brochure supplement provides information about David Richard Peloquin that supplements the Main Street Advisors, LLC brochure. You should have received a copy of that brochure. Please contact David Peloquin if you did not receive Main Street Advisors, LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about David Richard Peloquin is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for David Richard Peloquin is 1423632.

## Item 2 Educational, Background and Business Experience

**Full Legal Name:** David Richard Peloquin      **Born:** 1961

### Education

- University of Baltimore; BS, Business Administration; 1983

### Business Experience

- Equitable Bank, N.A.; Branch Manager; from 01/1984 to 05/1987
- Shaw Bus Service, Inc.; Division Manager; from 05/1987 to 04/1988
- Rohrbaugh Charter Service, Inc.; Comptroller; from 04/1988 to 01/1990
- Prodrive, Inc.; Business Manager; from 01/1990 to 03/1991
- Investment Resource Group, Ltd.; Advisor; from 03/1991 to 06/1999
- Main Street Advisors, LLC; President & Managing Member; from 06/1999 to Present

### Designations

David Richard Peloquin has earned the following designation(s) and is in good standing with the granting authority:

- Certified Financial Planner; CFP Board of Standards, Inc.; 1989

Candidates for certification must have a bachelor's degree (or higher), or its equivalent, in any discipline, from an accredited college or university in order to obtain CFP certification. After successfully meeting the education requirement, passing the CFP Certification is required. Three years of full-time relevant personal financial planning experience is required. Last, disclosure of any criminal, civil, governmental, or self-regulatory agency proceeding or inquiry is required. And a Certified Financial Planner agrees to adhere to CFP Board's *Code of Ethics and Professional Responsibility, Rules of Conduct and Financial Planning Practice Standards*, and acknowledge CFP Board's right to enforce them through its *Disciplinary Rules and Procedures*.

## Item 3 Disciplinary Information

David Richard Peloquin has no reportable disciplinary history.

## Item 4 Other Business Activities

### A. Investment-Related Activities

1. David Richard Peloquin is not engaged in any other investment-related activities.
2. David Richard Peloquin does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

### B. Non Investment-Related Activities

David Richard Peloquin is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his or her time.

## Item 5 Additional Compensation

David Richard Peloquin does not receive any economic benefit from a non-advisory client for the provision of advisory services.

## Item 6 Supervision

**Supervisor:** David R. Peloquin

**Title:** Chief Compliance Officer

**Phone Number:** 410-840-9200

Main Street Advisors, LLC has adopted various procedures to implement the firm's policy, reviews and internal controls to monitor and insure the firm's supervision policy is observed, implemented properly and amended or updated, as appropriate which includes the following:

- Designated a chief compliance officer as responsible for implementing and monitoring the firm's compliance policies and procedures.
- An Annual Compliance Meeting and on-going and targeted compliance training.
- The Chief Compliance Officer maintains written supervisory procedures to ensure that the advisory firm and all supervised persons are in compliance with the Maryland Securities Act and the Rules and Regulations promulgated thereunder.
- Procedures for screening the background of potential new employees.
- Initial training of newly hired employees in the firm's compliance policies.
- Written policies and procedures with statements of policy, designated persons responsible for the policy and procedures designed to implement and monitor the firm's policy.
- Annual review of the firm's policies and procedures by the Compliance Officer and

senior management.

- Periodic reviews of employees' activities, e.g., personal trading.
- Annual written representations by employees as to understanding and abiding by the firm's policies.
- Supervisory reviews and sanctions for violations of the firm's policies or regulatory requirements.

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

Mr. Peloquin has never been the subject of a bankruptcy petition nor has he ever been involved in any of the following events:

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.