



## The Harrison Group, Inc.

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July 22, 2017

### **Item 1: Cover Page**

*This Brochure provides information about the qualifications and business practices of The Harrison Group, Inc.. If you have any questions about the contents of this Brochure, please contact us at the telephone numbers above. 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.*

*The Harrison Group, Inc. is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.*

*Additional information about The Harrison Group, Inc., and information about any persons affiliated with The Harrison Group, Inc. who are registered as investment adviser representatives, is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

## **Item 2: Material Changes**

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated July 22, 2017 is a new document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

### **Item 3: Table of Contents**

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#### **Item 4: Advisory Business**

The Federal laws and regulations, rules of the United States Securities and Exchange Commission (the "SEC"), and state securities departments mandate regulation of those persons or organizations who, for compensation, provide advice as to the value of securities or the advisability of purchase or sale of securities. A major portion of the service I provide consists of investment advice, and I have, therefore, registered with the State of Florida as an Investment Adviser.

A rule of the SEC requires that as a Registered Investment Adviser, I deliver, or offer to deliver, within 120 days of the close of our business' fiscal year, to each "investment advisory client", a written disclosure statement containing information concerning my background and business practices, including a summary of any material changes to previous disclosure brochures. This permits the required disclosures to be made by either providing a copy of Part II of my registration form filed with the SEC/State, or by another written document containing at least the information in the SEC form.

So that the requirements of the various agencies may be met, and, more importantly, that I may be sure that the various relationships I maintain in order to better serve my clients are fully understood, I periodically send each client a letter similar to this one, which outlines the nature and scope of our continued business relationship. If you would also like to have a copy of the Part II of the SEC Investment Adviser Registration form, I shall send you one upon your request at no charge, or you may access it via our website [www.theharrisongroup.net](http://www.theharrisongroup.net).

The registration as an Investment Adviser lies with The Harrison Group, Inc. (HGI). As President of HGI, I am considered the "control person", that is, the person with the power to direct or cause the direction of the management or policies of the company. As such, I am solely responsible for all investment advice. Employees of HGI work under my direction and authority with respect to all investment advice. All of my employees are compensated by salary which is not adjusted for the type of income, e.g. fees, which are received by the company.

The SEC requires that I provide you with my educational and business standards, background and certain personal data. The information is enclosed in resume form at the end of this brochure, Item 19.

As of the date of this brochure, HGI manages approximately \$2.3 Million on a discretionary basis and \$200,000 on a non-discretionary basis.

The SEC, in the registration form for Investment Advisers, defines "investment supervisory services" as "Giving continuous advice to a client (or making investments for a client) based on the individual needs of the client. Individual needs include, for example, the nature of the other client assets and the client's personal and family obligations." Certainly, my intention is to provide guidance and advice as to which of our services is appropriate for you based upon your individual requirements. To that end, we both have

some obligations. On my side, I shall endeavor to manage those of your assets that you entrust to my direction according to the principles and processes agreed upon in our management contract. On your part, it is necessary that you provide me complete and accurate information, that you inform me when changes occur in your financial, family, business, and tax situation; and, that you advise me in particular when two things happen: 1) when you perceive that I may not be correctly reading your financial intentions, or 2) when you change any goals or objectives.

### **Item 5: Fees and Compensation**

The fees for my services are individually negotiated with each client. The factors considered in setting fees include, but are not limited to:

1. Time and labor involved, the novelty and difficulty of the questions involved, and the skill requisite to perform the service properly.
2. The likelihood that the performance of the services for a particular client would preclude other employment.
3. The amount of assets/liabilities involved, the results expected, and the amount of responsibility assumed.
4. The nature and length of our professional relationship.
5. Time limitations imposed by the client or by circumstances.
6. The amounts of other fee income that have been received, or are likely to be received due to efforts on behalf of the client.
7. The perception, on the part of the client, of the worth of the services.

The fees established for financial advisory service do not include fees which may accrue for other services that are outside the scope contemplated by the financial advisory services. In all cases, however, no additional fees will be charged without us first having discussed what is required and on what basis the fee is charged, as well as the amount.

You can expect to pay me for my work in some or all of the following ways:

1. Fees for Investment Advisory Services.
2. Fees for specific projects, on a fixed retainer or by hours.
3. Fees for Financial Planning Service.

Fees for specific projects, can be based on either a fixed retainer or by hours expended. Fees based upon time are calculated at a rate of \$250.00 per hour, with an adjustment for various factors such as whether I or a staff person does the work, the time constraints, and difficulty of the work. Fees for this work are billed upon completion.

My fee for Investment Advisory Services and Financial Planning Service generally is billed quarterly and is for service that has already been performed. You, of course, may terminate our relationship at any time. However, you also commit to pay the full quarter's fee, as a significant portion of the time and effort expended in establishing the proper structure under this service comes at the beginning of the first year. The fee for Financial Planning Service is generally based upon the fee of the previous year and my expectations for the next year; upon the amount of time and effort expended during the previous year(s) and my expectations for the coming year; as well as upon the general fee criteria listed elsewhere in this letter. You may also elect to pay for Financial Planning Service on a per hour basis, in which case the time will be charged and billed as a "special project" as discussed above.

The fee for Investment Advisory Services is based upon a percentage of assets under management as set out in writing in the Schedule of Fees agreed upon by you in the Discretionary Investment Management Agreement. Fees, payable at the beginning of each quarter, are calculated based upon the value of assets in the account at the end of the prior quarter. New accounts have fees calculated based upon the value of the account assets when the account is fully funded. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

Fees are incremental and based upon Fee Investments as defined in the Agreement. Account Values for the same client are aggregated for purposes of calculating fees.

The following schedule establishes the fee payable by Client for the investment advisory services:

<u>Account Value</u>	<u>Quarterly Fee</u>	<u>Annualized Fee</u>
First \$500,000	0.375%	1.500%
Next \$4,500,000	0.250%	1.000%
Amounts Over \$5,000,000	0.125%	0.500%

You may authorize your broker-dealer in writing to deduct the HGI investment advisory fees from your account and pay them to HGI on your behalf when billed.

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

HGI does not charge any performance-based fees.

## **Item 7: Types of Clients**

My investment advisory clients consist of individuals, corporations, institutions, trusts, and retirement plans.

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

As far as investments are concerned, we can deal in equity securities such as exchange listed and over the counter stocks and bonds, exchange-traded funds, warrants, commercial paper, bank certificates of deposit, municipal securities, investment company securities (mutual funds, variable life insurance and annuities), United States government securities, options on stocks, partnership and other structures for investment in real estate, oil and gas, and leasing. The intention is to not limit the universe of possible solutions, but to let your needs and requirements dictate the vehicles, tools, and techniques utilized.

The specific strategy of investment is dependent upon the requirements and desires of each client. As a general rule, investment advisory clients select one or more of three strategies utilizing “Top Down”, dynamic asset allocation techniques. Two of these strategies emphasize long-term growth, while the third emphasizes current income. We explain the investment process in greater detail prior to executing management contracts so that clients have an understanding of why we take the actions that form our process. In all three strategies, the dynamic asset allocation process is employed to manage risk. While we attempt to contain potential losses using these techniques, *investing in securities involves risk of loss that clients should be prepared to bear.*

Clients who have investment objectives and requirements for different management style for a portion of their assets are accommodated by the utilization of the services of other professionally managed investments, e.g. other investment managers, mutual funds, and partnerships. I monitor performance of these other investments as part of the Financial Planning and/or Investment Advisory Service but can take no responsibility for the actions of other advisors.

When clients authorize us to manage assets held in an account at a broker-dealer, we rely on the broker-dealer account opening documentation to determine investment suitability unless otherwise directed by the client in writing.

## **Item 9: Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of The Harrison Group, Inc. or the integrity of its management. The Harrison Group, Inc. has no information applicable to this Item.

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

HGI has no other Financial Industry Activities or Affiliations.

## **Item 11: Code of Ethics**

I subscribe to the codes of ethics of the Society of Financial Service Professionals[SFP] and the International Association for Financial Planning (IAFP). I will provide a copy of these to you upon request. Of course, HGI observes and adheres to all Federal and State securities laws and regulations.

You must also know that I also do financial planning and implementation for a group that is most important to me -- members of my immediate family. The SEC requires that I disclose to you that I do maintain personal accounts with investments, that, from time to time, may be the same or similar to investments that are being recommended to clients. These personal accounts are for investment only and are maintained using the same investment guidelines as are used for clients, except that, at times, some securities or investments held personally may be considered to be of higher risk than would normally be recommended to investment advisory clients. Nevertheless, investment advisory clients always receive priority over personal and family accounts. Of course, I always remain in compliance with the Insider Trading and Securities Fraud Enforcement Act of 1988.

## **Item 12: Brokerage Practices**

It is important that you understand these various relationships, not just because the regulators require that they be disclosed to you, but rather, that you be able to take full advantage of them without becoming confused. I have expended a great deal of effort over the years to build an educational, experienced, and professional base with which to provide the type of financial, investment, and tax planning that my clients need.

The relationships with respect to securities is somewhat complex. The regulators (the FINRA in particular) are extremely sensitive in that they want to be certain that a client knows exactly with whom and with what company they are dealing when the purchase or sale of a security is made. You must therefore understand that HGI provides investment management services only, and does not take possession or custody of your investment securities at any time. Securities are always registered in your name, are held in "Street" name at the broker in the account in your name, or are held in trust.

Your relationship with the broker-dealer(s) of your choice is exclusively between the two of you. You authorize HGI, as your investment adviser, to direct purchases and sales of investments in your account on a discretionary basis, and to receive copies of statements and trade confirmations, as well as any on-line access that may be available, but HGI is not a party to your account. Likewise, the method of compensation to the broker-dealer for any investment trades executed through them, or any other charges imposed by custodians, brokers, third party investment fees charged by managers, custodial fees, transfer taxes, wire transfer and electronic fund fees, and any other fees and taxes on brokerage accounts and securities transactions, is entirely dependent upon the arrangements you make with the broker-dealer. HGI does not share in any compensation paid by you to your broker-dealer. HGI is compensated solely by the fees for investment



advisory services agreed upon in your contract with HGI. 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 HGI's fee, and HGI shall not receive any portion of these commissions, fees, and costs. HGI receives no "soft-dollar" compensation.

### **Item 13: Review of Accounts**

Review of your accounts, in-person or as written reports delivered electronically, are provided on a schedule which I determine based upon factors such as the type of assets/liabilities, the complexity of the transactions, regulatory necessity, and your personal requirements. In addition, I often communicate with clients in times of unusual market conditions or stress.

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

My policy is to never tell anyone anything about your financial situation or anything else you have told me, or my staff, in confidence. This includes the fact that you are my client. Prospective clients, however, normally want to speak with an established client. When this occurs, my practice is to call and ask if such a person may contact you -- I do not just provide your name without permission. Please note, however, that my business is built upon referrals and introductions from good clients to others like them, and I certainly appreciate and solicit your help in this area.

### **Item 15: Custody**

HGI never has custody of client assets. All trade confirmations and account statements are generated and provided by your broker-dealer or custodian. You should carefully review such statements as they are provided to you. HGI does not issue account statements.

### **Item 16: Investment Discretion**

As previously stated in Item 12, HGI usually receives discretionary authority from the client at the outset of an advisory relationship 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 as mentioned in Item 8 above.

### **Item 17: Voting Client Securities**

As a matter of firm policy and practice, HGI does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios.

## **Item 18: Financial Information**

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

### **Conclusion.**

I welcome your interest in our services, and will be happy to expand on any of this material or answer any questions you may have.

**BARRY B. DIAMOND**  
President and Chief Investment Officer  
The Harrison Group, Inc.

## Item 19: Professional Education and Background

### **BARRY B. DIAMOND**

*President and Chief Investment Officer  
The Harrison Group, Inc.:A Registered Investment Adviser*

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#### Professional Education and Background

Master of Business Administration [MBA] University of California, Berkeley (1970)  
Bachelor of Electrical Engineering [BEE] University of Florida (1965)  
Chartered Financial Consultant [ChFC] American College, Bryn Mawr, PA (1982)  
Chartered Life Underwriter [CLU] (1971)

Member: Greater Miami Tax Institute [President, 1984]  
Estate Planning Council of Greater Miami.  
Investment Committee [Past-Chairman] University of Florida Foundation, Inc..  
Past-Chairman of Alternative Investments: University of Florida Foundation, Inc.  
Foundation of Jewish Philanthropies

Other Special Education:  
Law School, University of Miami, FL (1971/72)  
Actuarial Mathematics, Florida International University (1977)

Lecturer-Speaker:  
Florida Bar Association Convention (1988)  
Strategic Research Institute (2007)  
Investment Management Institute (1994 - 1998)  
Institutional Investor Institute (1996/97)  
Information Management Network (1997-2006)  
Institute for International Research (2001/2)  
Ivy Family Office Network (2014/15/16)  
FTSE International Equities Summit (1999-2001)  
Global Conference Institute (1999-2003)  
Greater Miami Tax Institute (1975-1993)  
Estate Planning Council of Greater Miami (2004)  
Institute of Certified Financial Planners (1991)  
International Association for Financial Planning (1982/2003)  
Opal Financial Group (2000-2004)  
South Florida Employee Benefits Council (1978-1990)  
Masters in Tax Program, Florida International University (1978)  
Florida Kiwanis Convention (1981)  
CCEW, Miami-Dade Community College (1980)  
Professional Continuing Education for CPAs and Attorneys.  
Expert witness in litigation and arbitration: investments & financial planning.