

Abraham & Co., Inc.

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CRD# 299085

Client Information Brochure ADV Part 2A

May 25, 2021

This Client Information Brochure provides information about the qualifications and business practices of Abraham & Co., Inc. If you have any questions about the contents of this Brochure, please contact us at: (253) 851-7486 or by email at: abeco@abrahamco.com. 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, www.retirewithabeco.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: <https://brokercheck.finra.org>.

Item 2 – Material Changes

On July 28, 2010, the United States Securities and Exchange Commission (“SEC”) published “Amendments to Form ADV” which amends the disclosure documents provided to clients as required by previous SEC Rules. This Brochure, dated March, 2020 was prepared according to, and complies with these SEC rules. This updated Brochure replaces all previous versions of Abraham & Co.’s Form ADV.

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

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 material 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: invest@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 (“IA”) of Abraham & Co., Inc.

The material changes in this brochure from the last annual updating amendment of Abraham & Co., Inc. on January 16, 2021 are described below. Material changes relate Abraham & Co., Inc.’s policies, practices or conflicts of interests.

- Abraham & Co., Inc. has added additional web address to the cover page.
- Abraham & Co., Inc. has updated Fees and Compensation (Item 5).
- Abraham & Co., Inc. has updated Review of Accounts (Item 13).
- Abraham & Co., Inc. has updated Voting Client Securities (Item 17).

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Item 4 – Advisory Business

Abraham & Co., Inc. (“*Abraham*” or “*Adviser*” or the “*Firm*”) has been in business as a full-service FINRA member *Firm* since 1983 and as a Registered Investment Adviser since 2000. The *Firm* is managed and owned solely by its founder, Kye Abraham. The *Firm* manages accounts for its advisory clients (“*IA accounts*” or “*Clients*”) on a discretionary basis and is compensated by fees, which are based upon the value of the accounts, including cash balances, each month or quarter. Advisory clients are billed monthly or quarterly, in arrears, and receive a statement of charges directly from *Abraham*, the custodian, or a designated third-party service provider, during the month following the period in which the advisory services were provided. 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 TD Ameritrade Institutional (“*TDA*”). ***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 Abraham. 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 *TDA* (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 *TDA* are reasonable and competitive with industry standards. As of May 10, 2021, the *Firm* manages discretionary accounts approximating forty-six million dollars. Except in limited cases, as an accommodation to clients, (client-managed accounts brought in from other firms) the *Firm* does not manage non-discretionary accounts through its advisory business.

Wrap Fee Program:

In certain cases, *Abraham* will allow clients to participate in its wrap fee program. (See *Negotiability-Management & Transaction Fees* below). Clients who participate in this program will be provided *Abraham’s Wrap Fee Brochure* prior to their participation in the program.

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 for clearing or custodial services provided to/for IA accounts by *TDA* will be charged to IA clients, but will not exceed, the following:

Common Stocks (listed and OTC) American Depository Receipts; Closed-end Mutual Funds; REITS	\$20 per transaction
Bonds (Government, Government Agency, Corporate & Municipal); Preferred Stocks; Mortgage Backed Securities	\$40 per transaction
Initial purchases and redemptions (full and partial) of selected open-end mutual funds available to <i>PAMA</i> accounts; (list provided upon request)	\$24 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
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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 Monthly or Quarterly)	Percentage of IA Account Assets (Cash & Securities)
\$50,000-249,999	2.00%
\$250,000-499,999	1.50%
\$500,000-999,999	1.00%
\$1,000,000 and Up	Negotiable

An IA Account Advisory Fee (“*Management Fee*”) will be billed to clients directly by *Abraham*, the *Custodian(s)*, or designated third-party service provider, and payable on a monthly or calendar quarterly basis. Fees will be calculated based upon the market value of securities and cash balances (including margin debits) on the average daily balance of the previous month or quarter. Each quarterly payment will be due and payable during the first month following of the month or 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 period in which the account is established will be prorated based on the number of days remaining in the month/quarter after establishment of the account. *Abraham* is authorized to instruct the *Custodian* to deduct from clients accounts any fee owed to *Abraham* pursuant to the terms of the client agreement (*PAMA*).

All fees paid to *Abraham* will be reported to clients on a statement of advisory fees (invoice) which will be prepared and supplied to clients directly by *Abraham* or its clearing agent or custodian(s) *TD Ameritrade Institutional*, or any other *Financial Institution* selected as a custodian by *Abraham*. 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 any advisory fees billed, but not yet earned, for the month or quarter in which an account is terminated. Transaction or processing charges incurred by, or paid to *Abraham* for clearing or custodial services are not subject to refund in the event of termination. All fees due to *Abraham* at termination will be deducted from clients’ accounts before assets are delivered from the account. **Notwithstanding the foregoing, clients may terminate their agreements within five business days of the effective date of the client agreement without payment of any fee or penalty for Abraham & Co.’s services.**

In all instances, the *Abraham* will send, or cause the *Financial Institution* or a third-party service provider, to send on its behalf, the client a written invoice, including the fee, the formula used to calculate the fee, the fee calculation itself, the time period covered by the fee, and the amount of assets under management on which the fee was based. Also, the *Abraham* will include the name of the custodian(s) on the client’s fee invoice. The *Adviser* will send these to the client concurrent with the billing for payment of *Abraham’s* advisory fees. We urge the client to compare this information with the fees listed in the clearing agent or custodian’s account statement.”

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, securities and account transfer fees, and other fees and taxes on brokerage and advisory 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, including mutual fund sales charges, fees and commissions are exclusive of, and in addition to, Abraham & Co.'s fee. *Abraham* shall not receive or mark-up on any of these commissions, fees, and costs.

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 or the incurring of any related fees in connection therewith. *Abraham* may, depending on certain circumstances, agree to waive, cover, or reimburse certain transaction fees for clients. Clients receive both investment advisory services and the execution of transactions for a single, combined annualized fee. This arrangement is known as a "wrap fee" arrangement. In these cases, it will be indicated in the client's PAMA and all such participating clients will be provided with *Abraham's* "Wrap Fee Brochure."

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

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

Abraham does not charge any performance-based fees (fees based on a share of capital gains on, or capital appreciation of, the assets in an 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, third party service providers, conference calls, interviews with corporation spokespersons/officers, annual and quarterly reports, personal inspections, etc. Investment strategies take into consideration client suitability/financial status/net worth, investment experience, investment objectives and risk tolerance. 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 setbacks may occur at any time. Accounts may hold up to 100% of account assets in cash, money market funds, and short-term bonds or cash-equivalent instruments. Overall equity risk (the direct equity portion plus the indirect equity risk) is limited to 60%. The investment term and objective is generally between five to ten years.

Growth-oriented Strategy

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

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., through its wholly owned subsidiary, Abraham Securities Corporation, 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.

Abraham often offers clients seeking protection from market risk and volatility, certain fixed indexed annuity products. These products pay substantial commissions (usually non-negotiable) and may represent a potential conflict of interest when recommending these financial instruments over other, traditional, market-based investments. It is our position, belief and experience that many clients are not financially or psychologically suited for market risk and volatility especially with limited retirement assets. We believe that these products often offer a more secure way to invest client assets and secure a more reliable stream of retirement income. These products are never included in advisory client managed portfolios and are not subject to management fees. No variable annuities (market-based securities) are ever offered.

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

Abraham & Co. will not, under any circumstances, recommend or purchase the securities of LKA for *IA Clients*. Abraham & Co. does not accept fees or services from other investment advisers or broker/dealers for managing client accounts. Abraham & Co., Inc.'s wholly-owned subsidiary, Abraham Securities Corporation (CRD# 13498) 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* 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 or 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's* clients. In addition, the *Code* requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the *Code of Ethics* in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading (requires advance approval in writing by *Abraham's* Chief Compliance Officer) is continually monitored to reasonably identify and prevent conflicts of interest between *Abraham* and its clients.

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. 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 “principle” in these transactions. There are no incentives offered to *Abraham* by *TD Ameritrade* (products, research or services) that influences Abraham & Co. to clear or maintain its client accounts. *Abraham* believes that the services and transaction costs charged to its clients by *TDA* are reasonable and competitive with industry standards.

Item 12 – Brokerage Practices

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* clears all of its IA securities transactions on a “fully disclosed” basis through its custodian, TD Ameritrade. Transactions for each client generally will be effected independently, unless Abraham decides to purchase or sell the same securities for several clients at approximately the same time. **Abraham & Co., including its representatives and employees, 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 TDA or other designated Financial Institution, by the client.**

There are no incentives, sometimes described as “soft dollars” (products, research or services) offered to *Abraham* by *TDA* that influences Abraham & Co. to clear its client transactions or hold its IA accounts. *Abraham* believes that the services and transaction costs charged to its clients by *TDA* are reasonable and competitive with industry standards. *Abraham* receives no client referrals from *TDA* nor does it anticipate any such arrangement with any other *Financial Institution*. Any such arrangement (client referrals) may constitute a significant conflict of interest when selecting a broker dealer and/or custodian for *Abraham* client accounts.

When placing orders in client accounts *Abraham* may (but is not obligated to) combine or “batch” or “aggregate” such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among *Abraham’s* clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure transactions will generally be averaged as to price and allocated among *Abraham’s* clients pro rata to the purchase and sale orders placed for each client on any given day. *Abraham* does not receive any additional compensation or remuneration as a result of the aggregation. In the event that *Abraham* determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include, but are not limited to:

- (i) When only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates;
- (ii) Allocations may be given to one account when one account has limitations in its investment guidelines, which prohibit it from purchasing other securities, which are expected to produce similar investment results and can be purchased by other accounts;

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

Item 13 – Review of Accounts

Client accounts will be reviewed at least 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 or delegated to the account's designated *IA*. Detailed account statements (prepared exclusively by the custodian) which show account asset prices, activity, advisory fees, and measure account performance during the quarter will be sent directly to all clients on at least a quarterly basis. Additionally, monthly account statements are sent to those clients whose accounts have recorded any significant activity during the month. All statements are sent directly to clients by Abraham's clearing agent, or designated custodian. *Abraham* is not involved in the preparation of these statements or the pricing of any *IA* account assets.

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

Item 14 – Client Referrals and Other Compensation

If a client is introduced to *Abraham* by either an unaffiliated or an affiliated solicitor, *Abraham* may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Advisers Act and any corresponding state securities law requirements. Any such referral fee is paid solely from *Abraham's* investment management fees or other sources, and does not result in any additional charge to the client(s). If the client is introduced to *Abraham* by an unaffiliated solicitor, the solicitor must provide the client with a copy of *Abraham's* written disclosure brochure which meets the requirements of Rule 204-3 of the Advisers Act and a copy of the solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement including compensation. Any affiliated solicitor of *Abraham* must disclose the nature of his/her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of *Abraham's* written *Client Information Brochure* at the time of the solicitation.

Abraham may receive software, related support, and research, without cost because *Abraham* renders investment management services to clients that maintain assets at certain *Financial Institutions*. The software and related systems support may benefit *Abraham*, but not its clients directly. In fulfilling its duties to its clients,

Abraham endeavors at all times to put the interests of its clients first. Clients should be aware, however, that *Abraham's* receipt of economic benefits from a *Financial Institution* creates a conflict of interest since these benefits may influence *Abraham's* choice of broker-dealer or custodian over another *Firm* that does not furnish similar software, systems support, or services. *Abraham* believes that any such services, support, or software, provides it with cost or competitive advantages in servicing its IA clients.

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 investment assets. Statements from different custodians (prepared by the custodian) may vary based on each custodian’s accounting procedures, reporting dates, or valuation methodologies of certain securities. *Abraham* will not accept, or have direct access to, client accounts or assets. Additionally, *Abraham* will not accept, or instruct the custodian(s) to accept instructions for distribution or transfer of client assets to third parties except where required by law or regulatory authority.

State of Illinois Clients

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

Item 16 – Investment Discretion

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

Item 17 – Voting Client Securities

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

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

Item 18 – Financial and Additional Information

Registered Investment Advisers are required in this Item to provide advisory clients with certain financial information or disclosures concerning the Advisor’s financial condition. Abraham & Co. has no financial

commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has never been the subject of a bankruptcy proceeding. A copy of Abraham & Co.'s most recent financial statements, and/or those of its clearing agent(s) will be provided to clients upon written request unless otherwise required by law or regulation. Abraham does not require or solicit the prepayment of more than \$500 in fees, per client, six months or more in advance.

Abraham & Co., Inc.

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CRD #299085

Client Information Brochure Supplement ADV Part 2B

Kye A. Abraham
Chief Compliance Officer

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

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, at the age of twenty-four, Mr. Abraham founded Abraham & Co., Inc., which was approved as an SEC registered Broker Dealer and member of FINRA (formerly NASD) and SiPC in May of 1983. Since its formation, the Company has engaged in numerous venture capital arrangements with early stage (growth) companies and sponsored or participated in several private placements of equity and limited partnership interests. These venture capital arrangements involved a variety of businesses and industries including, wireless communications (cellular and SMR) oil & gas drilling (on-shore and Gulf of Mexico), mining, Hollywood film distribution (Warner Brothers), technology research & development, and bio tech and bio-pharma. Several of these funding activities involved LKA Gold Incorporated, an affiliated, gold exploration and mining company (see description below). Abraham and Co. and Kye Abraham were licensed as a Washington State Registered Investment Adviser and Investment Adviser Representative in 2000 and currently manage assets (investment portfolios) on a discretionary basis for the Company's clients. Mr. Abraham is responsible for supervising 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 at the age of twenty-one and has supervised and/or managed the business activities of numerous LKA-sponsored limited partnerships and affiliated companies. These activities included oil & gas projects in North America, precious metals and precious gemstone mining operations in North America, Africa and Indonesia. The common stock of LKA is publicly traded on the OTC Markets (OTCQB) under the symbol "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.

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

In addition to the events listed in Item 3 of this Part 2B, 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:

A. 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.